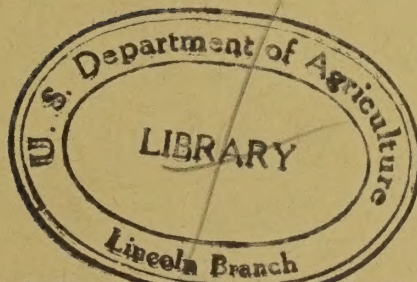
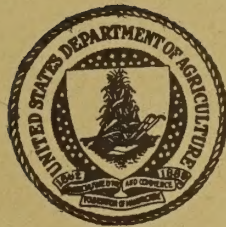


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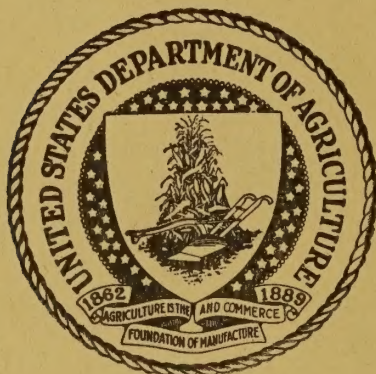
SUPERVISORS' GUIDE BOOK

TO AID IN PLANNING, ORGANIZING
AND DIRECTING THE COUNTY FSA PROGRAM



U. S. DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION

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PURPOSE OF THIS GUIDE

The purpose of this Guide is to help you as an RR or HM Supervisor do your work more effectively and efficiently. Personnel of the district, state and regional staffs also will find it useful in many ways.

The Guide outlines step by step the important jobs you have to do in helping low-income farm families increase their production of Food for Freedom and to progress toward rehabilitation.

It does not cover every detail of your job, neither is it intended to outline procedure. However, you will find in the margins, throughout the Guide, reference to the Procedure Manual and other material which has been prepared for FSA personnel.

Keep this copy within your reach, carry it with you, refer to it often. If you wear out or lose this copy, get another. This is not a publication to be read through once and laid aside. Rather, its value lies in its steady use and in the help and guidance you get from it in your daily work.



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THE CHALLENGE OF YOUR JOB

I

If you were John Foster, you would have been the despair of your county welfare worker in 1934. You would have been scorned by your neighbors (who said you were dirty, shiftless, irresponsible). You would have been living in a wreck of a house on a 40-acre farm, your credit at the grocery store gone, your children unkempt, hungry much of the time and often ill. You would have had \$39 worth of belongings.

"Toward
Farm
Security"

But by 1942 (as John Foster) you would be renting 160 acres with a good house. You would own \$1,679 worth of livestock and farm and home equipment, including 10 good milk cows, 52 sheep, 8 hogs, 200 chickens, 4 horses and 2 colts. You would be making a substantial contribution to your county's Food for Freedom production campaign. Your children would have plenty to eat and they would feel better because for several years now you had been producing most of the family food. You and your wife would be meeting regularly with your neighbors to talk over ideas and plans and take part in home-made recreation.

The people who had branded you as a "no-account" would now be speaking of you with praise. Once they had said, "The Foster family has no pride". But what they should have said was that the Foster family had nothing of which to be proud.

The Fosters are a real family. The miracle of their recovery is no mystery. It is only a story of how one farm family responded to a chance for a new start, how they made good with credit-plus-education help from the Farm Security Administration.

Late in 1937 the Fosters needed grants for food and clothing. In 1938 they got a loan and bought their first few milk cows, chickens and other farming needs. As their income from cream and eggs increased enough to provide necessities, grants were cut off. In 1939 a supplemental loan was made for a foundation flock of sheep and some seed. By 1942 they had paid \$662 on their total loan of \$820 and expected to pay the balance when it came due.

By changing the name and the place, by inserting different figures and minor details, John Foster's story could be repeated many times over. It is the story of people who have the capacity for recovery, people who achieve recovery once they are given a chance to nurture and strengthen their abilities. The purpose of the Farm Security Administration

II

is to hold aside the forces which choke off initiative and stamp out hope in thousands of the Nation's low-income farm families--to open the way for their growth and development under the Four Freedoms of American Democracy.

Nearly three centuries of mismanagement of land and human resources finally brought rural poverty to a head during the depression years of the early 1930's.

Soils were depleted and eroded over vast areas. Free lands in the West were gone. Some farmers' efforts were crippled by their ignorance, ignorance ingrained by generations of one-crop farming, with antiquated tools, on farms too small, hilly, rocky, eroded, under-capitalized, mortgaged. Banks no longer made "character loans"—landlords were too broke to provide "furnish" for their tenants. Tractors were driving tenants and laborers from the land. Dust bowls and floods added to the tragic conditions of the times.

By 1933 a million farm families--5,000,000 farm people--were hovering on the doorsteps of relief. Handouts kept them alive but didn't help them get back on their feet.

The rehabilitation program, eventually to become the Farm Security Administration, was born then. The aim became rehabilitation for low-income farm families, rehabilitation instead of relief. The idea wasn't dreamed up by one man or by one group of men. It grew out of the experience and vision of many people in many places in America.

In 1934 the Federal Emergency Relief Administration set up a rural rehabilitation program, administered by state RR corporations, to lend farmers money for livestock and tools they needed to make a living. Under this set-up, the first resettlement projects were established to provide good land and good homes for many families who were living on land so poor they could never earn their way. Meanwhile the Department of Interior built subsistence homesteads to enable stranded industrial workers to supplement their incomes by growing their own food. To check wholesale farm foreclosures, the Government started a farm debt adjustment program.

All these activities were aimed at the same problem--poverty on the land. All were consolidated under the Resettlement Administration on April 30, 1935 by Executive Order of the President. The Resettlement Administration began to make group loans for

equipment and sires. The rehabilitation program expanded fast. County offices were set up and staffed with "supervisors" who based each standard loan on a farm and home plan worked out by the supervisor and the farmer, the HM supervisor and the farmer's wife.

"Loans plus supervision" was a new formula in the attack on rural poverty. The Government had not tried before a combination of credit and education in sound farm and home management. It worked.

On September 1, 1937, the Farm Security Administration took over most of the work of the Resettlement Administration and was delegated another job--that of making loans to a limited number of tenants, sharecroppers and farm laborers for the purchase of farms (authorized by the Bankhead-Jones Farm Tenant Act).

The essential purpose of the Farm Security Administration has not changed with the years, but "tools" of rehabilitation have varied with the needs.

For example, county committees of local farmers and community leaders were set up to work with county supervisors. The committees serve to tie the program to the community, to shape it to "grass roots" needs.

FSA supervisors also are making more and more use of group supervision instead of relying entirely on individual farm visits. Thus they can reach six, eight or ten farm families at once, farm families who can benefit from each other's ideas and experiences. Group supervision is not a substitute but, rather, a supplement to farm and home visits--it is more important now than ever because of the Nation's rubber shortage making it necessary to curtail use of automobiles.

With the war came a need for other changes. America looks to its small farmer for a large part of the increased food production necessary to help win the war. Large farms already are operating at capacity, or near capacity, and are finding it increasingly difficult to raise their level of production due to shortages of labor and equipment. But the small farmers are under-employed, their families can supply most or all the labor they need, they can get together with their neighbors to swap the use of farm tools.

IV

Thousands of them already are prepared to carry their share of the food production load. With FSA loans they have bought cows, chickens, hogs, seed, equipment. With FSA guidance, they have learned how to protect the soil, grow gardens and care for livestock. By 1941, they had doubled the production of food for their own use since getting FSA assistance. With more of the same kind of help they can double and triple that record in producing food for sale. Thousands of other farmers can make substantial contributions--thousands of low-income owners, tenants and sharecroppers. To do so they need credit, they need guidance in proper methods of production.

To help farm families increase war-food production, to help farm families become self-supporting--here is no division of effort. One aim supports the other. For the first time in decades, low-income farmers will have a market for all the milk, eggs, meat, vegetables and varied war-vital crops they can produce--the kind of a production schedule FSA has always encouraged, the kind of a production schedule that will lead away from the pitfalls of one-crop farming and toward rehabilitation.

And there is still a need for rehabilitation. Rural poverty has not been wiped out. The basic causes of rural distress have not been removed. Nearly 1,500,000 farm families have been helped by the Farm Security Administration. A million of these have had loans for a new start. Nearly half a million were operating their farms with FSA aid in 1942. But county supervisors estimated that 650,000 others were eligible for aid; 425,000 more could not be helped with loans because they could not have or could not get farms that would provide them a living.

Rural poverty is still a great challenge to the Nation. Nearly half of all farm families had total earned farm incomes of \$600 or less in 1940. Three-fourths had incomes of \$1,000 or less.

Only wishful-thinkers believe that because times are better, the low-income farmer needs no help today. For 50 years, one-half of all farm families have received only about one-tenth of all farm income. A period of rising prices will not help them very much. In the words of FSA Administrator C. B. Baldwin:

"Nothing can produce poverty so fast as ill-distributed prosperity--it can be worse than no prosperity at all. For prosperity may either raise the level of living of all, or it may increase the gap between those who get the benefits and those who don't."

YOUR JOB: HELPING LOW-INCOME FARMERS
PRODUCE FOOD FOR FREEDOM

Food for Freedom production is agriculture's No. 1 job for the duration. To feed the people on the home front, to feed the workers who make the guns and tanks and planes, to feed the Nation's armed forces, to help feed the people and the armed forces of the United Nations--this is the American farmer's wartime job. It's the biggest food production job that has ever been attempted before by any Nation at any time. It's a job for every farmer, big or little, in the South, East, West, North--and up and down America's broad acres.

Food for Freedom production is also Farm Security's No. 1 job--your No. 1 job--for the duration. To the small farmer, the farmer whose productive ability needs to be and can be improved, America is looking for a large part of the food increases necessary to "win the war and write the peace". This is the farmer who needs your help, and the help of the Farm Security Administration to improve his productive ability. To shift into high gear food production, this farmer needs security of tenure, credit for livestock and equipment, credit for seed and fertilizer. He needs friendly advice from you and the benefit of your training.

There are more than 2,000,000 of these farmers--2,000,000 farmers who are under-employed--2,000,000 farmers who are eager to join their country's food production forces. To reach as many of these farmers as you can with the time and the facilities at your disposal--to help them increase their food production--first of all for themselves, and then for market--this is your war job.

Rehabilitation is the job of the Farm Security Administration--and your job. Farm Security's program was, in a sense, a war program before Pearl Harbor. Since its inception it has been helping low-income farm families to wage a fight for a decent living standard and security on the land. To gear the FSA program to the Nation's war effort required only a shift in emphasis from rehabilitation to Food for Freedom production. Rehabilitation remains an important though subordinate objective, an objective which borrowers work toward as they enhance their ability to produce food.

For the FSA borrower, producing Food for Freedom means helping his country win the battle for freedom and helping himself win his own fight for freedom from want.

To be an effective, lasting thing, rehabilitation must come from an inner desire for something better and a determination to get it. You can loan people money, you can help them fill out the blank spaces on a Farm and Home Plan, help them put down figures in a record book. You can help them to improve their living conditions. You can help them to get medical services and better health. You can do all these things and many others. But unless you can help people develop initiative and energy and abilities essential to the full utilization of all their resources, both for war food production and rehabilitation, Farm Security has not fulfilled its total responsibility.

You were selected to do this job. You were selected because of your training. You were selected also because of your capacity for understanding and your patience, because of your ability to inspire confidence and restore faith in the people with whom you work.

YOUR TOOLS FOR DOING THE JOB

Through your office the low-income farmer can obtain almost any kind of assistance he may need for increasing his production of Food for Freedom. The Farm Security program offers him advisory assistance, guidance in farm and home management, and financial assistance and related services adapted to his particular problems.

011.1

Your office also can inform him concerning the services of other agencies and organizations, and direct him to the persons in charge of their local programs.

I Assistance from Farm Security.

A Advisory Assistance from County Committees for the farmer and his family and for groups of families. The members of your local Rural Rehabilitation, Farm Debt Adjustment and Farm Ownership committees should be community leaders or potential community leaders who have the ability and judgment required to give constructive advice on the needs of the county. As separate committees or as members of the County FSA Advisory Council (the Council consists of the committee members and three members-at-large), these leaders are there to help you and the people whom you serve.

403.1

B Supervision for all farm families who receive loans and grants from FSA, in order that they may develop sound farm and home plans, learn better methods of farm and home operations, and keep and use records of these operations as a basis for improved planning.

438.1

731.1

C Financial Assistance and Related Services.

1 Operating Loans for the farmer who is in need of operating credit, who cannot get it at a reasonable rate from any other source, and who is willing to cooperate with the FSA.

a Rehabilitation Loans for the farm owner, tenant, sharecropper, or farm laborer who has or can get enough land and satisfactory tenure arrangements to enable him to obtain the

731.1

things he needs to produce more food for the war effort and carry out a sound farm and home plan.

- 742.1 b Short-term Emergency Loans for the farmer who is a victim of drought, flood or other disaster, in an officially designated area, to enable him to buy feed and seed.
- 831.1 c Community and Cooperative Services Loans for farmers who need services or equipment they cannot afford individually, to enable them to fill these needs cooperatively or to take part in cooperative associations. Also for cooperative associations themselves, in cases where the needed enterprises cannot be established and operated efficiently through individual loans.
- 731.1 d Group Health Service Loans for farm families in the FSA program, to enable them to establish county or district group health services in cooperation with local physicians, dentists and other professional groups.
- 741.1 e Club Loans for organized clubs of boys and girls of low-income farm families, to enable them to produce, under supervision, more food needed in the war program.
- 731.3
- 475.1 f Water Facilities Loans (applicable only in approved Water Facilities areas in the 17 Western states) for low-income and other farmers, cooperative associations and mutual water companies, to provide farmstead water facilities for gardens, livestock, household and irrigation purposes.
- W. F.
- Manual
- 2 Farm Ownership Loans for farmers who are eligible for:
 - 631.1 a Tenant Purchase Loans for tenant farmers, sharecroppers, and farm laborers who are American citizens, to enable them to purchase family-type farms, in accordance with terms of the Bankhead-Jones Farm Tenant Act.
 - General
 - 631.1 b Farm Enlargement Loans for farm owners whose units are too small to be economic family-type farms, to enable them to enlarge their units sufficiently so that the farm in each instance will support the family.
 - General
 - 632.2
 - Suppl.
 - Loans

- c Farm Development Loans for owners of farms which need improvements to land and buildings, to enable them to develop their units sufficiently so that the farm in each instance will support the family. 631.1
632.2
- 3 Grants (if funds are available) for farmers and migratory farm workers who are so hard-hit by disaster or other misfortune that they and their families require immediate help to prevent actual suffering--to get essential food and fuel, or urgently needed medical or dental care, or for special purposes such as environmental sanitation. Also for the farmer who has a rehabilitation loan but needs supplemental assistance until his income will provide subsistence needs. 741.1
731.1
- 4 Debt Adjustment for all farmers, regardless of whether they are on the Farm Security program, who have found it impossible to pay their debts, and for their creditors as well, to enable all persons concerned to reach a voluntary agreement based on the farmer's capacity to pay. 733.1
- 5 Tenure Improvement Assistance for tenant farmers and their landlords, to help them work out mutually beneficial leases that will result in better food and fiber production, soil improvements, building repairs, improved living conditions and other arrangements that mean good business for both. 732.1
- 6 Assistance to Occupants of Resettlement Projects for all families who live on the rural homestead projects financed by the FSA. Farm Security offers these farmers guidance and help, financial assistance, and the advantage of community life. 731.2
741.2
(grants)
- 7 Relocation Assistance for all farm families who are displaced by the coming of military camps, maneuver areas, war industrial plants, and the like, to enable them to find new land and new homes and get started again. FSA offers such families guidance, help, financial aid, and debt adjustment assistance. 472.1
- 8 Assistance to Migratory Farm Workers for agricultural workers who follow the crops, to enable them 741.2
(grants)

to have shelter and other essential living facilities. This program includes camps, labor homes, medical care, guidance, facilities for group activities and financial assistance.

II Assistance from Other Agencies and Organizations.

- 731.1 A Farm Credit Administration makes long-term and short-term credit available to farmers, and provides credit facilities for farmers' cooperative marketing, purchasing and business service organizations.
- 731.5 1 Federal Land Banks and the Land Bank Commissioner make long-term, low-interest amortized mortgage loans to farmers. Land Bank loans are made through local National Farm Loan Associations.
- 731.1 2 Production Credit Corporation makes funds available, through local Production Credit Associations, for short-term loans for all types of farm and ranch operations. PCA loans can be obtained by farmers who meet the eligibility requirements followed by the loan committee of the local association.
- 731.6 3 Emergency Crop and Feed Loans made by Farm Credit Administration for the production of crops, and purchase or production of feed for livestock to farmers whose credit needs for these purposes do not come within the broad policy or objectives of other Federal or private lending agencies, provided that a first mortgage can be given on the crops to be produced and the livestock to be fed.
- 731.1 4 Bank for Cooperatives provides a permanent source of credit to farmers cooperative associations.
- 731.1 B Agricultural Conservation and Adjustment Administration (including Agricultural Adjustment Agency, Soil Conservation Service, Federal Crop Insurance Corporation, Sugar Agency) coordinates and administers the Department's work in farm conservation, crop production and adjustment, and crop insurance. Offers cooperating farmers who comply with requirements, technical aid in carrying out farm conservation programs and payments for application of conservation practices, certain crop adjustment payments, and insures protection on crops.

Through local committees, made up of farmers, administers the production program, and in cooperation with Soil Conservation districts, autonomous local sub-divisions, carries out a comprehensive and flexible conservation program involving farm lands of all kinds. Soil Conservation Service representatives assist farmers to develop and carry out conservation plans, including control of soil erosion, best use of farm woods, and development of sub-marginal land.

- C Commodity Credit Corporation makes loans to farmers to finance the carrying out of the orderly marketing of agricultural commodities. This Corporation also administers price-supporting programs designated to encourage production of strategic agricultural commodities, arranges for the disposition of farm commodities for use in the manufacture of explosives, and for feed to increase production of livestock needed in greater abundance, and render fiscal and operating assistance in connection with lend-lease operations.

AL 195
Class.
737

- D Agricultural Marketing Administration buys and inspects farm and food products for lend-lease shipment; buys and distributes farm products to relief and low-income families and for use in penny milk and school lunches for children, and issues food stamps through local welfare agencies to relief and low-income families; conducts nation-wide market news coverage on agricultural marketing agreement and diversion programs; and administers some 20 market service and regulatory statutes.

- E Extension Service helps farm people to acquire an intelligent understanding of their local, community, regional, and national farm problems and requirements; extends and interprets to farm people the basic facts in terms of local situations that will aid them in the constructive solution of their individual and collective problems; encourages, stimulates and guides farm people in making practical application of the facts.

- F Forest Service administers the 160 National Forests, conducts research in forestry and range management at 13 regional forest experiment stations and the

Forest Products Laboratory, and cooperates with States in fire protection, distribution of trees for planting, and extension advice on farm forestry practices. Now engaged in numerous war activities in connection with procurement and inspection of war timber supplies, protection of war facilities, guayule rubber production, and so forth.

G Rural Electrification Administration makes loans to REA cooperatives which are organized by farmers to bring to farm homes the advantages of electricity.

AL 505
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473

H County USDA War Board, composed of representatives of Department of Agriculture agencies functioning in the county and charged with the responsibility for carrying out activities of the Department connected with the Food for Freedom program and other participation by farmers in the war effort. The county FSA supervisor, of course, is a member of the War Board and is expected to attend its meetings regularly and take an active part in carrying out the wartime program.

Many other types of assistance are available in the average county for the benefit of the farmer who brings his problems to your office. Keep a working list of them. The community club or service club, the local newspapers, the rural churches, the WPA office, the county health department, the welfare office, the school superintendent, and the county board of supervisors or commissioners usually stand ready to help low-income farm families in every way possible.

YOUR JOB WITH THE APPLICANT

The Farmer Comes to You Because He Wants Help.

The farmer who comes to your office may be in danger of losing his farm or equipment. Maybe he has to leave the place he has been renting, owns little or nothing for a start somewhere else. He may have neither money nor credit for farm supplies, or for his family's living needs. Maybe he has been turned down by every lending institution in the county, has become discouraged, is losing faith in himself. Or he may want the kind of help that the Farm Security Administration cannot offer, but comes to you because he doesn't know where else to go.

Regardless of why he has come to your office, you want to do one of two things before he leaves. If you think the Farm Security Administration will be able to help him, it is now that you want to lay a solid foundation for your future work with him and his family. If the FSA has no solution to his problem, you may know who has, and in any case you want him to think well of you and the program you represent.

If you can accomplish your purpose easily and quickly, you will have time to reach more families who need FSA help to produce Food for Freedom, more families who need FSA help to make a better living.

He Sees the Clerk.

The applicant may talk first to the clerk, who can do much to make him feel that he is with friends. The clerk will ask him to have a chair, see that he has some FSA material to look at or to read. If the clerk has a thorough knowledge of the FSA program, she (or he) can often give him the information he wishes and conduct the interview preceding the filling out of an application.

I The Interview.

- A How it is conducted is the chapter you will write from your own experience, but some suggestions may help and perhaps none is more important than this: "Put yourself in the other fellow's place".

- 1 Hold the interview in private if possible. It will help the applicant to realize that he is giving you confidential information and that it will be treated as such.
- 2 Be direct and frank. If you put all your cards on the table, he will follow suit.
- 3 Promise to do only those things you know you can do. If you tell an applicant frankly that he has made a request beyond your authority but that you will refer his request to someone else for an answer, you will save many embarrassing moments for both of you.
- 4 Let him say what he has to say before you ask specific questions, especially if he is emotionally upset, and he will give you more complete answers later.
- 5 Be patient with the applicant who is slow or antagonistic. Remember that he probably has missed some of life's advantages, that he may have been through enough trouble and discouragement to break most men.
- 6 To gain his confidence let him know that you have a sincere interest in his problems. Then, little by little, explain the types of FSA assistance that were designed for such troubles as his.
- 7 Find out what he wants to get done now or during the year, and use this immediate objective as a wedge to find out what he wants most out of life. Every man has an ambition for himself and his family--this is the goal toward which you both will work.
- 8 If the applicant needs assistance not from FSA but from some other source, you will want to arrange a definite contact for him, and thereby build up the usefulness of the FSA in your community.

B Points to Make Clear.

- 1 The FSA program is a program for the whole family. Let the applicant know that you are there to give him and his family all the help you can--that you will visit his farm and meet with him and his neigh-

- bors from time to time, so that you can talk over their problems and assist them in making and carrying out plans to solve them.
- 2 A Farm and Home Plan will be prepared each year by the family with the help of both the RR and HM supervisors.
 - a Because this Plan will be the family's guide to a better living, they should prepare most of it themselves. Then they will understand it better, and if the Plan is carefully prepared, they can get the most benefit from FSA assistance.
 - b Because it will determine the type of (a) financial assistance, (b) tenure adjustment, (c) debt adjustment, and (d) guidance needed by the family.
 - 3 The family will carry out the Plan, but you must be willing to help them make any changes necessary to meet unforeseen conditions.
 - 4 Explain the purpose of the debt adjustment program, so that the applicant will give you a complete and accurate picture of his debts. He will do this if he knows that debts will not keep him from getting an FSA loan. 733.1
 - 5 Explain the necessity of a definite equitable lease arrangement which will give the family assurance that they can stay on one farm long enough to carry out their Farm and Home Plan, and to build up and conserve the soil so that it will yield them a better living. 732.1
 - 6 Be sure that the applicant understands the Government will take a mortgage on certain crops, livestock, machinery or other holdings to secure the FSA loan. If you explain carefully what a mortgage is and that mortgaged property cannot be sold without written permission, you may avoid some future headaches for both of you. 731.1
465.1
 - 7 Tell him frankly that the FSA wants his wholehearted cooperation, and that you know he will do

his part if he understands these few conditions before the plans are completed and the loan made.

C Before the Applicant Leaves.

1 Settle certain specific details:

- a Fix a definite date for the next meeting, either for the farm and home visit, or the group meeting for applicants. This will ease his anxiety. It will also eliminate repeated visits to the office, and avoid much office confusion which results when too many visitors are waiting to see you.
- b Find out how to get to the applicant's farm.
- c Take brief, specific notes during or immediately following this interview which will aid you or other supervisors in the follow-up.
- d Give the applicant a Farm and Home Plan form and a brief explanation of its meaning and how he should use it before your visit.

2 You will know:

- a Whether he may be eligible for FSA assistance.
- b Whether you should start "89" as a work sheet--that is, if his debts indicate that he may need debt adjustment services now or in the future.
- c What steps will be necessary to work out satisfactory tenure arrangements.
- d When you will see him next, and how to get to his farm.
- e The type of assistance needed.

3 He will know:

- a Whether he wants to apply for FSA assistance.
- b Where he can go for help, if other than FSA assistance is needed.

- c What the Farm Security Administration can do for his family, and what the family's responsibility will be.
 - d That he has a place to turn for sympathetic understanding and efficient help.
- 4 He should be permitted to file an application--if he wants to and is apparently eligible for FSA assistance.
 - 5 When the interview is over, in a courteous way let the applicant know it is over, even though he wants to visit and makes no move to leave. You may need to tell him that others are waiting to see you, but usually you can let him know you're busy if you arise, shake hands, and tell him you're glad he came in.

II The Application.

- A References will be checked carefully--FSA loans are essentially "character loans". Weigh references carefully to avoid prejudices--one way or the other.
- B To supplement the information on the application form, you will obtain a written list of his secured indebtedness from county records. This may save unnecessary trips to the farm, it will avoid misunderstandings, and the applicant may learn that records are made of mortgage transactions.
- C For those applicants for Tenant Purchase, Farm Enlargement and Farm Development loans who are chosen by the County Committee for further investigation at a later date, you will supplement the information on the application by filling in on the Family Information Schedule further information about the family's health, its employment history, its tenure history, its interest in community affairs, and so forth. A narrative statement should be prepared outlining the views of both the RR supervisor and the HM supervisor concerning the eligibility or the qualifications of the family to be established on a family-type farm, and the possibilities of the family succeeding with a family-

type farming enterprise. The information on the Family Information Schedule and in the narrative statement will weigh heavily with the committee and with the officials in the regional office in reaching a final decision as to the family's eligibility. Your job, therefore, in securing this information and presenting it properly, must be done thoroughly and well.

III Committee Action to Determine Eligibility.

A By the RR Committee.

403.1 If the farmer has applied for a rehabilitation loan, you will discuss the applicant and his background with members of the RR Committee. One or more of them no doubt will know the applicant, will know something about his special abilities, can often give you suggestions on how to approach his problems and the type of assistance he needs most. Their suggestions will help you to evaluate the information you have and will become a valuable part of the "running case record".

731.1

B By the Farm Ownership Committee.

616.1 If the farmer's application indicates that he wants and needs a loan to purchase a farm, or to enlarge or develop the farm which he owns, you will ask the Farm Ownership Committee to consider the application. If it is one of the applications which the Committee tentatively selects, you will assemble and present to the Committee further information about the qualifications of the family which will enable the Committee to decide whether or not to approve the application.

IV Applicants' Meeting.

a Purpose.

There is a decided advantage in bringing families together to consider, as a group, the steps they are going to take to remedy their troubles, and to let them know that FSA exists only to serve low-income farmers. Families who come to Farm Security seeking

financial aid often do not realize that their problems and their neighbors' problems are much the same, and that perhaps their individual difficulty is only part of an unfavorable agricultural situation which concerns the entire community.

One purpose of the applicants' meeting is to give low-income farmers an insight into the conditions that have kept many farmers from earning a good living on the land and to explain how the Farm Security Administration can help them.

Another purpose of the meeting is to make clear again that the family who obtains a loan from FSA gives as a part of the security for the loan a promise to cooperate to the fullest extent in improving the farm and home, and adopting practices recommended by supervisors.

The families who obtain Farm Ownership loans must be willing to live up to the terms of the borrower's agreement, copies of which should be given to Farm Ownership applicants during the meeting. A meeting of applicants is also an excellent means of helping farmers to size up the fundamental needs of their own county and to begin planning ways to meet these needs.

For these reasons, it is good to have applicants meet together--small owners, tenants and sharecroppers of all races.

B Preparation for Meeting.

Review your own knowledge of farm problems in your county. You should have current information about size of farms, average income, types of farming, number of mortgaged farms, markets, types of soil, housing, schools, churches, size of families, health conditions, and so on.

You should be informed as to the assistance other agencies in your county can give to low-income farmers.

Review your knowledge of the FSA program, including

Farm Security's part in the war effort.

Prepare a few simple questions with which you can start the discussion.

C Conducting the Meeting.

Begin the meeting by raising a few questions directed at some problem with which the applicants and their families are directly concerned. Then you can lead the discussion on to other topics. As common problems are discussed, it becomes an easy matter to point out the types of assistance Farm Security can give. Thus you can explain the entire FSA program and at the same time show each farmer what type of assistance he needs and how FSA can give it. Hand out and explain Farm and Home Plan forms to those who do not have them.

D Points to be Made Clear.

As the meeting draws toward a close, think back over the discussion and be sure you have made two essential points clear. If you have not, direct the remaining discussion toward them:

- 1 The responsibilities of the family in planning, keeping records, selling mortgaged property, and cooperating in carrying out the Farm and Home Plan. If they are to be Farm Ownership borrowers, review also the borrower's agreement.
- 2 The services of the FSA in making loans for specific purposes and assisting families in planning and following their plans.

HELPING THE APPLICANT FAMILY ANALYZE THEIR NEEDS

I The First Farm and Home Visit.

If it appears that the applicant may be eligible for assistance, both of you together (the RR and HM supervisor) will make a trip to see the family and the farm (1) to assist the family in analyzing their problems and (2) to help them prepare a Farm and Home Plan that will lead the way to a solution of those problems.

This will give you a chance to see the family in their surroundings, the relation of human resources to land resources. There on the farm and in the home you will see how one problem is related to another, and how all of them affect the level of living.

A Analyze the Resources.

To plan a working relationship between farm and home operations and to set up a proper combination of livestock and crops, you must consider:

- 1 Family resources, such as health, labor supply, education, attitudes, abilities and skills.
- 2 Farm resources, such as land, buildings, water, livestock, feed, machinery and equipment.
- 3 Community resources, such as markets, churches, schools, other rural educational facilities, transportation, availability of medical and hospital services, community clubs and services.

B Tenure.

Tenure arrangements must be analyzed to determine whether terms of lease or purchase contracts provide enough security and encouragement to enable the family to increase their production, improve their living conditions and build up soil fertility.

732.1
Tenure

- 1 If the farmer rents his farm, you will review his rental to find out whether the lease (a) is verbal or written, (b) is long-term or short-term, (c) contains desirable clauses or objectionable

clauses which may be an obstacle in carrying out a balanced farming program.

- 2 If the farmer is buying his farm under purchase contract or owns the farm but has a mortgage on it, you will review the contract to find out whether tenure arrangements will need further study or perhaps adjustment.

C Debts.

- 733.1
Debt
Adj.
- 1 Why excessive debts should be adjusted. By this time there should be a clear understanding that if the family cannot pay their debts with available resources, they must get their debts adjusted in order to get a sound start--otherwise, any other type of FSA assistance will provide little more than temporary help.
 - 2 How to determine the need. The best guide is this: Is there danger that family and farm operating expenses, costs for the use of land and costs of carrying obligations may come into competition with each other for the family's income? You can find the answer by comparing the list of family debts with the accepted debt adjustment criteria for the area--total debt load per acre or per productive animal unit, annual costs for debt service as a percentage of probable gross incomes, and so forth.
 - 3 The step to take now. If you have not already done so, you will get a complete and accurate written list of all debts, showing how and why they were contracted and how they will be met. Talk over and straighten out any discrepancies in the information you have and the information the family gives you.

Livestock and Equipment Inventory and Net Worth Statement.

- 731.1
Loan
Criteria
- 1 Make a thorough inspection of all livestock, tools and machinery.
 - 2 Make a written list of all assets, with a full description of each, so that all property can be properly included on the mortgage in case a loan is made.
 - 3 Use this list, together with the list of debts, to complete the inventory and net worth pages in the record

book. (This will give both you and the family a clear picture of the financial situation.)

E The Need for Community and Cooperative Services.

- 1 When does the farmer and his family need a C & CS loan? When they must have livestock, equipment or services to operate their farm and home efficiently, but who either cannot or should not get them alone, (a) because the facilities would stand idle most of the time, or (b) the family's income would not justify the expense.
- 2 Special wartime need for cooperatives. The war has brought an even greater need for cooperation among small farmers. To produce the most food with the least use of war-vital metals, small farmers must work to the limit every piece of farm equipment they own or buy. Every machine that stands idle when it could be in use, will be working for Hitler and the Japanese war lords.
- 3 If cooperative equipment or services are needed. Talk over with the family the advantages of getting together with their neighbors to buy, use, and pay for the things all of them need, and explain the responsibilities that go with cooperative activities.
- 4 Need for marketing services. The war and increased production have brought about a greater need for the assembly, grading, storing, processing, transporting and finding of the proper markets for foodstuffs.

The families should be encouraged and assisted in availing themselves of these services either through existing associations or by the organization of new associations or services.

F The Need for Group Health Services.

- 1 Maximum production depends on good health. To attain wartime production aims, every family must be physically fit. Needed medical and dental care should be readily available to the family both in acute illness and for the correction of chronic conditions which may be disabling and which often

' 831.1
C & CS
Guide

retard a family economically. Needed services should be available to the family at reasonable cost.

731.1
Loan
Criteria

- 2 Group health services provide financial and health protection. Through a group medical or dental care plan the cost of needed care is spread equitably over the whole group of participating families. A sound group health service not only provides protection against the impact of unexpected illness, but it also includes provision for preventive services and the correction of defects which might otherwise be incapacitating. The first visit affords you an opportunity to acquaint the family with the benefits of any group health service which may be in operation in the area, or the possibility of joining with their neighbors in organizing such a service.

G Assistance from Other Sources.

What assistance does the family need from other agencies such as:

- 1 The Agricultural Conservation and Adjustment Administration (including Soil Conservation Service).
- 2 The Extension Service.
- 3 Commodity Credit.
- 4 Forest Service.
- 5 Department of the Interior (Taylor Grazing Act).
- 6 Other services such as public health and education available in your county.

H Result of Analysis.

731.1

- 1 In the case of an RR applicant—a thorough analysis of the family's resources and problems will determine the next step. If it is absolutely impossible to develop a Farm and Home Plan that will increase food production and be of help to the family, you will so inform the applicant (in writing). Such a letter should inform the family of the steps it can take to place it-

self in a position to be eligible for FSA assistance. File a copy of this letter, together with specific reasons for the rejection, in the family's case record. (This information will be of considerable value in the event of future action.)

- 2 In the case of a Farm Ownership applicant—your analysis of the family's resources and problems, set forth in the Family Information Schedule and in the Farm and Home narrative statements will result in a decision by the committee as to whether or not the applicant is eligible to receive a Farm Ownership loan. If the committee's decision is favorable, you will let the family know that their application is being viewed with favor and that they may proceed, if they have not already done so, to select their farm. If the farm has been selected, or if it is already owned or occupied by the applicant, arrange now for having a report on earning capacity prepared. If the applicant is not approved by the committee for a loan during the life of his application, you will inform him at the expiration of his application that he may apply again if he wishes.

616.1
Applications

THE APPLICANT BECOMES A BORROWER

You are ready now to help the family prepare their Farm and Home Plan, and their plans for improvements on their farm.

On the first visit to the farm the Farm and Home Plan may be developed to the extent that another visit will not be necessary. Or the Farm and Home Plan may be developed in a group meeting with other borrowers and finished at the farm when it will be revised and reviewed if necessary, under the guidance of the RR and HM supervisor. On this visit or at the meeting, all other documents necessary to processing the loan also should be executed.

In the case of an applicant for a Farm Ownership loan, the Farm and Home Plan will be prepared when possible on the farm under consideration at the same time that the plans are decided on for repairs and improvements.

I Methods of Developing Farm and Home Plans.

A Individual Method.

- 1 Family discussion comes first. Get the farmer and his wife, and the older boys and girls together, and discuss freely and frankly with them the problems of both the farm and home, what the family would like to do, and the kind of help they will need. If the family has reasonable security of tenure, they will use the narrative "Long Time Farm and Home Plan" form in developing their goals before making up the annual Farm and Home Plan.
- 2 Family planning comes next. The farm family and the RR and HM supervisors will jointly develop and complete the detail Farm and Home Plan, so that:
 - a The farmer will understand the family living expenditures and plans for the home and may for the first time understand what the farm can contribute to family living.
 - b The homemaker will understand the amount of cash income expected, the loan necessary, the repayment schedule, status of debts, and other ad-

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F & H
Plan

justments.

- 3 Review of the entire Plan is necessary so that the whole family will understand the total problems and plans and the relation of one to the other.

B The Group Method.

The group method has been used very satisfactorily in some areas. To get the best results:

- 1 The group should be small - not more than five or six families.
- 2 Group Discussion - problems and plans should be discussed so that the experiences and plans of one family may help another in their planning.

II Actual Development of the First Farm and Home Plan.

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F & H
Plan

A The Farm and Home Plan must be Realistic.

- 1 Because it will bring to light all adjustments the family will need to make.
- 2 Because it is a Plan to improve the family's farm and home operations.
- 3 Because this is the Plan the family must agree to follow, and you want it to be a Plan they can follow.

530 a

Relocation
RP Operating
Loans

B If the Plan is to be Realistic.

It must be based on realistic estimates of:

- 1 Yields to be obtained.
- 2 Prices to be obtained for produce sold.
- 3 Farm and home expenditures.
- 4 Obsolescence and depreciation.

C Essentials in Planning.

A satisfactory level of living and reasonable security

is the goal of every family. To attain this goal, the maximum use of all farm and family resources must be used as a basis for planning. In addition to considering the health, education, attitude and ability of the family, the following resources must be planned in proper relation to each other. Remember that a chain is no stronger than its weakest link.

- 1 Land and Improvements - adequate to provide for family living and farm operating expenses, and payment of debts.
- 2 Labor - the farmer should plan his operations so that his labor and the labor of his family will be fully utilized all during the year. However, he should attempt only such operations as can be carried out with this labor, except in peak seasons, when he should swap labor with his neighbors, if possible, and keep expenditures for labor at a minimum.
- 3 Operating Capital - enough money or credit to make the best use of his land and labor resources.
- 4 Management - to make the most efficient use of land, labor, and capital.

D What the Plan Provides for:

With these basic resources in mind, you will help the family make plans for:

1 Maximum Food for Freedom Production.

- a For the family's own use - a year round supply of homegrown vegetables, fruit, meat, poultry, eggs and milk to meet at least minimum adequate nutritional needs. This is the first consideration, not only for the family's rehabilitation, but also for their contribution to the Food for Freedom program - when they produce their own food, they release for other purposes the food they would have to buy. To provide for a year round food supply, you will

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Plan

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Criteria

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F D
Criteria

want to discuss with the family and help them plan for enough good quality subsistence livestock - cows, pigs, chickens; garden equipment, fences, garden seed in sufficient quantity and variety, fruit trees and berry bushes; fertilizer; canning supplies, food storage facilities, and so forth.

- b For market - a surplus of the same kinds of food the family produces for home use. Wherever possible, plans will be made for extra cows; extra sows; some extra chickens; and in addition the maximum amount of food and fiber set up in the area production goals depending on the capacity of the farm and ability of the family.

2 Development of a Livestock Program.

This program should fit the family and the farm, and should provide a source of income throughout the year to meet family and farm expenses and to supplement cash crop and other income. It should include:

- a Housing to protect livestock from the weather, and essential fencing.
- b Satisfactory water supply.
- c Improved sire services.
- d Improved feeding practices, including provision for pasture.

3 Development of a Crop Program.

This program should provide for:

- a Maximum production of a variety of homegrown feeds for livestock, to eliminate the need for cash, and to assure adequate supplies.
- b Maximum production of crops needed in the war effort.
- c Improved conservation and tillage practices.
- d Improved seed varieties and treatment.

4 Clothing.

Enough clothing for health and warmth - at least one change for each member of the family - the kind of clothing that will enable the children to attend school, and the family to participate in community activities.

5 Household Equipment.

Every family needs a stove that will bake, utensils to prepare family meals and properly care for milk; dishes for family meals; canning equipment and jars enough to meet the family canning budget; at least two tubs and a wash-board; a sewing machine and a good pair of scissors; sufficient beds and bedding that not more than two persons share a bed. Families can contribute to the war effort by extra care and wise use of household equipment. New purchases should be made only when necessary.

6 Medical and Dental Care Needs.

These needs should be considered carefully. If an FSA group health program is operating in the county, encourage the family to provide in their plan for the annual participation dues so they can obtain medical or dental care when they need it, at a price they can afford. Many group health service programs now include hospitalization and drugs. Correction of chronic conditions is included in many of the group health service programs, but if there is no health plan in effect, or if the plan does not cover this kind of care, necessary corrective work may be accomplished in one of the following ways:

- a In case the family cannot pay for correction out of their own income, the FSA loan may include funds to cover costs.
- b If the family's debt-paying ability will not permit this additional amount in their loan you will get in touch with the local welfare agency, the local hospital or the county medical society to see of what assistance they

can be.

- c In any event, see that the family gets the services at a reasonable figure.

7 Housing.

Housing should meet at least minimum requirements. Where the family does not own the farm, consideration should be given to the leasing or rental arrangements whereby the family has at least a weather-tight, screened house, a sanitary toilet and satisfactory water supply. The lease should provide compensation to the family for making these improvements. The family should be able to show "pride in the place in which they live".

731.1
RR Loan
Criteria

640.1
Repairs &
Constr.

621.1
Improvement
Standards

In the case of a Farm Ownership loan, minimum improvements must be provided for in preparing the cost estimates.

8 Education and Community Activities.

Definite plans should be made for:

- a The children's attendance at school for the entire term. This means planning not only for clothing and school lunches, but also for management of labor so that children will not be kept away from school to work on the farm.
- b Family participation in community activities, including church and school affairs, extension clubs, neighborhood group meetings and other community get-togethers.
- c Every literate family should have access to a newspaper and farm magazine.

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Guide

9 Life and Burial Insurance.

Supervisors should know what types of burial and life insurance are common in the area. They should find out the type and amount of insurance carried by the family and have the family include premium payments in the plan if the insurance is in line with the need and ability of the family to pay for insurance.

552.4

731.1
RR Loan
Criteria

10 Safety and Fire Protection.

Where necessary, provision should be made for fireproofing chimneys, and for repairing steps, porches, stairways, and eliminating other accident hazards.

11 Needed Major Improvements and Equipment.

If these cannot be provided in the first year's plan, they should be given consideration in the long time plan. 438.1
F & H
Plan

III Cases Needing Further Adjustments Before Plan is Completed.

A If the Farmer Needs Tenure Adjustment.

- 1 The FDA Committee may be called on to help review farm tenure problems and make specific assignments necessary to obtain adjustments. Such adjustments should be made as soon as possible so as not to delay preparation of the Farm and Home Plan. 403.1
Committees

(Because adjustment of purchase or mortgage contracts is so closely related to debt adjustments, both processes probably will be carried out together and should be completed at about the same time the Farm and Home Plan is completed.) 732.1

2 Adjustments may involve:

- a Elimination of objectionable clauses.
- b Revision of the amount and type of rent.
- c Provision for greater security of tenure.
- d Addition of provisions for protection of investments of all concerned.
- e Provisions for housing repairs, screens, sanitary toilet, fruit trees, garden space, and fencing.
- f Adequate water supply.

g Various combinations of the above.

B If the Farmer Needs Debt Adjustment.

403.1
Committees

1 You will get in touch with the FDA Committee, provide information showing the farmer's debt situation, and assist in adjustment proceedings.

733.1
Debt
Adj.

2 The Committee will call the farmer and his creditors together for a friendly talk. Help to arrange an adjustment which will (1) enable the farmer to pay his debts, and (2) enable his creditors to collect all or part of what might otherwise be total loss of a bad debt. An adjustment should be agreed to by all those concerned after a detailed study of the farmer's Farm and Home Plan and entire financial picture, and may involve:

a A scale-down of the debts.

b Reduction in interest rates.

c Extension of the time of payment.

d Liquidation of unneeded property.

e Refinancing.

f Reamortization.

g Various combinations of the above methods.

3 Results of Farm Debt Adjustment.

a Sometimes farm debt adjustment services are all the help a farmer needs to get back on his feet - or they may put him in a position to get further financing from other sources.

b If the farmer needs other FSA assistance, debt adjustment will lay the foundation for a new start on a sound basis.

831.1

C If the Farmer Needs a Community and Cooperative Services Loan.

- 1 For farm or household equipment, for a good sire, or for other equipment, facilities or services he cannot afford to own for individual use.

C & CS
Criteria

 - a You will check up to see whether any small cooperatives or group services already in operation for other farmers in the neighborhood can serve another user.

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Plan
 - b You will look into the possibility of organizing other cooperatives to serve this farmer and others who need the same kind of equipment or service. Any farmer in the neighborhood can join, but FSA loans are made only to those who cannot borrow from any other source. In case a new association or service is needed - get the group together to talk over the benefits and responsibilities of cooperative effort, and work out the details of organization and operations.

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 - (1) If a joint-ownership service is established, two or more farmers will pool their funds to buy and own jointly a piece of equipment or other facility which each will use part-time.
 - (2) If a master-borrower service is established as the only possible solution, one individual will apply for a loan to buy and operate in his own name a piece of equipment or service which the others agree to use on a fixed fee or custom basis.
- 2 For purchase of farm and home supplies or marketing farm products.
 - a You will encourage him to participate in a Purchasing and Marketing Association if one has been established in your county, so that he can:
 - (1) Pool his money with others to buy in large quantities the seed, fertilizer, bedding, or other supplies he and his family need--thus getting better quality at lower prices.

- (2) Get together with his neighbors to market pigs, chickens, and truck crops, instead of peddling them separately, in small quantities.

If there is no Purchasing and Marketing Association in your county, you will want to consider the advisability of establishing one.

- 3 For participation in large cooperative organizations already existing or to be established, such as creameries, elevators, mills, and dehydrating plants, provided these cooperatives offer a real service to small farmers. Loans for this purpose can be made:
 - a To the individual farmer for membership fees or stock, for certificates of indebtedness or of interest, or for other purposes provided for in the Articles of Incorporation or By-Laws of the particular association as requirements for membership.
 - b Direct to the association itself rather than to individual members, providing the enterprise cannot be soundly established and efficiently operated entirely through individual loans.
 - c Both to the association and members (a combination of a and b). This has proved to be the most desirable method of financing an association, because members have more interest in supporting and taking part in it when they put up their own money. When the association owns or will acquire property, a sound practice is for FSA to make a direct loan for the property, and for members to make individual contributions to provide operating funds.

D If the Farmer Needs a Water Facilities Loan.

475.1
W. F.

For domestic water supplies, well-spring development, pond, reservoir, diversion dam, water spreader or purchase of water stock:

- 1 You will check to see whether the water rights are owned or can be acquired and whether there will be

an adequate supply of water by:

- a Contacting the state WF specialist.
 - b Contacting state engineer's office.
 - c Consulting local engineers or others qualified to give advice pertaining to water resources.
- 2 If a water right is owned or can be obtained without danger of being contested, and a good supply of water is or will be available, you will decide whether the loan will aid in the better use of land and water resources.
- a Will the facility be located to promote proper utilization of land?
 - b It should not encourage cultivation of submarginal lands.
 - c Will better health and living standards of the family result?
 - d Will a permanent increase of economic resources result?
- 3 You will find out what the costs and feasibility of the facility will be by:
- a Preparing simple estimates with the advice of local dealers, well drillers or the use of other standard plans prepared for you.
 - b Contacting your state WF specialist for engineering assistance in preparing the estimates or if the job is too technical in nature.
 - c Developing a Farm and Home Plan for a typical year to show whether the farm has the ability to pay for the facility.
- 4 You will see whether small water cooperatives are already in operation that could supply the needed water to the applicant.

475.1
W. F.

- 5 You will look into the possibilities of organizing small water cooperatives to serve this farmer and others who need the same service. Loans can be made either to individual users or to incorporated groups who cannot obtain adequate credit elsewhere.

a If a new cooperative is to be started, you will get the group together to talk over pertinent problems and possible solutions, assist it in working out details of organization and type of water facility cooperative best suited to its needs.

- (1) Usually when only 2 or 3 farmers are involved a joint-ownership type of arrangement is used where they pool their funds to provide a water facility.
- (2) In certain rare instances, it may be desirable for one farmer to own the water facility and have a definite written agreement to supply his neighbors with water. In this case the master-borrower type will be used.
- (3) When 4 or more families can use the same facility there are two methods of advancing funds:
 - (a) By means of individual loans to families to enable them to participate in an incorporated association.
 - (b) Direct loans to an incorporated association to provide water for its members.

b If a loan is to be made directly to large established associations or to individuals to participate in a large established association you should consult with the state WF specialist before any commitments are made.

- (1) Ordinarily, the individual applicants or groups of applicants are expected to contribute labor, materials or supplies to the construction of the facility.

475.1
W. F.

E If Applicant is Indebted to, or Should be Referred to, an Agency of the Farm Credit Administration.

1 Federal Land Bank and/or Land Bank Commissioner.

- | | | |
|---|--|--|
| a | You will get in touch with the secretary-treasurer of the appropriate National Farm Loan Association and handle the case with him in accordance with the terms of the Federal Land Bank-Farm Security Administration Memorandum of Understanding. | 731.5
Memo of
Under-
standing |
| b | You and he will agree upon classification of the case, work out plans for making the adjustments that are necessary in the farm family business, agree upon the Farm and Home Plan, prepare the summary sheet (Form 461) and cooperate in seeing that the adjustments are made and the plan carried out. | 731.1
RR Loan
Criteria |

2 Production Credit Association.

- a You will get in touch with the secretary of the appropriate Production Credit Association. You will work with him in handling the case in accordance with the terms of the agreement in effect between the regional office and the Production Credit Corporation serving your state.

3 Emergency Crop and Feed Loan Section.

- | | | |
|---|--|--|
| a | You will get in touch with the local representative or field supervisor of the Emergency Crop and Feed Loan Section. You and he will handle the case as provided for in the Memorandum of Understanding between the Emergency Crop and Feed Loan Section and the Farm Security Administration. | 731.6
Memo of
Under-
standing |
|---|--|--|

4 Bank for Cooperatives.

- a If an existing or newly organized cooperative association needs loan assistance, the Bank for Cooperatives should be contacted to see if adequate financing is possible before any application is made for a direct loan from the FSA.

IV Processing the Loan Docket.

A The Size of the Loan is determined by the aid the farmer and his family will need to put their Farm and Home Plan into operation.

B The Loan Docket.

1 Preparation.

a You will see that all pencil copies of the Farm and Home Plan, inventory, loan agreement, voucher, note and other papers are legible, complete and accurate, whether they go into the permanent records now, or have to be typed:

(1) Because this preparation will greatly simplify the job of the clerical personnel in preparing a loan docket.

(2) Because, if any forms are to be typed, the clerical personnel should not be expected to fill in the gaps.

b After typing, all forms should be proof-read for mechanical errors and checked for all necessary signatures.

c Similar dates and amounts appearing on legal and fiscal forms should be checked for agreement.

d All pertinent information will then be entered on the Area Guide card.

e Refer to procedure for forms necessary to complete the particular type of loan docket, arrange in order, and place in file for action by the district supervisor.

2 District supervisor's action.

On regular scheduled visits to the county, the district supervisors will review the dockets and take appropriate action. His review of the plans with you will result in a uniform approach and clear up any problems which might otherwise cause difficulty.

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Criteria

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Plan

831.1
Coop.

742.1
Emergency
Loans

741.1
Grants

475.1
W. F.

731.3
Club
Loans

632.1
632.2
F. O.

472.1
Relocation

741.2
Resettlement
& Migratory
Grants

Where there are no district HM supervisors, the area HM supervisor will spot-check Home Plans.

3 Regional office action on loan or grant docket.

- a The financial and legal documents are checked for accuracy and completeness.
- b It will then go to the Voucher Certifying officer, who has the responsibility of seeing that all loans are made for the purposes authorized by Congress.
- c The regional office will notify you of final action on Form FSA-476, "Transmittal and Flow Sheet".

4 County office action.

When you receive notice of action, you will see that necessary notations are made on the Area Guide Card.

458.1
Area
Guide

- a If the loan is returned for correction, you will take necessary action (which will be indicated on the Transmittal and Flow Sheet) before submitting it again,
- b After the loan has been cleared through the regional office, you will take the following actions promptly, and see that notations are made on Area Guide Cards as you complete each action:
 - (1) Compare the loan check with the paid copy of the voucher, see that the date of the check is inserted on the copy of the Promissory Note, and return Treasury Form 1725a to the disbursing office.
 - (2) Notify the borrower that you have received the loan check with instructions for its delivery.
 - (3) Before you deliver the loan check, a lien search should be made and the lien search form completed.

458.2
Supervised
Bank Acct.

- (4) Establish supervised bank account in accordance with previous agreement with borrower or in justifiable instances deliver check to him.

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RR Loan
Criteria

- (5) Complete security conditions as outlined in the Transmittal and Flow Sheet in accordance with FSA and regional instructions. All chattels to be purchased by the borrower out of loan funds should be inspected and approved by one of the supervisors.

V Special Loan Closing Conditions.

A For Farm Ownership Borrowers.

632.1
Loan
Processing

Because FO loans involve purchase of real estate and construction or repair of buildings, both you and the FO borrower will have added responsibilities in seeing that loans are properly closed. In closing the loan, you will have the instructions of the regional attorney and the assistance of local representatives of title insurance companies. All loan funds are expended through a supervised bank account.

633.2
Title
Clearance
& Closing
of Loan

Usually you will take some routine steps after you receive the FO check:

- 1 Deposit funds, being certain that no more than \$5,000 is deposited to one account, so all loan proceeds will be covered by Federal Deposit Insurance Corporation insurance.
- 2 See that curative documents and actions necessary to title clearance are secured by representative of title insurance company, supervisor or vendor.
- 3 Close the loan and see that payments are made to the vendor and others having an interest in the property.
- 4 Order fire insurance.
- 5 Record mortgage or deed of trust.
- 6 Let construction contract or see that repairs are started. (The special loan conditions of other

types of real estate and Water Facilities Loans will be essentially the same as those outlined for FO borrowers.)

- | | | |
|---|---|------------------------|
| 7 | Make all entries on Area Guide card. | 458.1
Area
Guide |
| 8 | Prepare Area Guide card for servicing information if one has not already been prepared and transfer processing card to construction division of Area Guide. | |

B For Community and Cooperative Loans.

- | | | |
|---|---|---------------------------|
| 1 | Joint-ownership and master-borrower loans. This type loan will be closed in the same general manner as rehabilitation loans. | 731.1
Loan
Criteria |
| 2 | Direct loans to Cooperative Associations and/or Participation loans to individuals. Because of the fact that no two such cases will be exactly alike, each will be handled in accordance with specific instructions from the regional office. | 831.1
C & CS |

SUPERVISION: THE ANALYSIS AND PLANNING JOB

When you help a family prepare their first Farm and Home Plan, make adjustments necessary for sound operations and get a loan - when you do all these things, you have only begun your responsibility of helping that family to increase its food production and attain rehabilitation. If you stopped there, you would lose your real chance to help them gain their independence and reach a higher level of living, make their maximum contribution to the war effort and Farm Security would not be fulfilling its function.

See that the Family Gets a Good Start.

The farmer and his family who are just coming on the program will need some special help and guidance in farm and home management practices as they start carrying out their first Farm and Home Plan. If they get a good start, many problems will be avoided later. You will want to help them make wise purchases with their loan funds, help them get their livestock and cropping programs properly started, begin their food production program, and make any other adjustments in the home, on the farm, or in the family's community relationships previously agreed upon.

You will want to give some special attention to getting the Farm Family Record Book started. Low production, unwise spending and poor business organization are common causes for failure among farm families. If properly kept and used, the record book will expose these weaknesses and indicate remedies needed. It also will be helpful to the family in following their plan throughout the year.

731.1
RR Loan
Criteria

658.2
Farm
Records

You can encourage families to keep good records by (1) explaining the reasons for the records and the ways in which they can be used, (2) teaching the family to make entries of receipts and expenditures in the record book, (3) making some definite use of the record on each farm and home visit and (4) checking receipts and expenditures periodically with the Farm and Home Plan during the year. Do not keep the record for the family however.

Organizing the Year's Work.

Well-planned organization of work always improves the effectiveness of any job, and is more necessary now than ever

for all FSA employees and county committees. Your job will be harder this year, but you will want to accomplish more because the goals to be reached are so important to a free world. You will be working with more families through the Food for Freedom program. With rationed tires and gas, you cannot travel as freely as you did before. A greater turnover in personnel may make it necessary for you to take on extra tasks.

Although there is no period during the year when you can devote all your time to just one phase of your work, your supervisory job automatically falls into two parts which must be done in certain periods of the year. The two parts are analysis and planning and carrying out the annual plans.

Analysis and Planning.

To help the farmer and his family find the weaknesses or short-comings in their farm and home operations, to help them understand where they made mistakes and where they made progress--and why--and to help them avoid past mistakes, to overcome their weaknesses and to strengthen their progress--this is the purpose of analysis and planning. The work consists of (1) observing operations on the family's farm, (2) analyzing last year's business and starting new records, (3) comparing results obtained with last year's plan, (4) meeting with a group of families to talk over last year's business and next year's plans (annual borrowers' meeting), (5) making adjustments which may be necessary to improve next year's operations, (6) completing necessary loan and security servicing, and (7) developing a new Farm and Home Plan based on last year's experience and next year's needs.

465.1
Security
Servicing
438.1
F & H
Plan

Begin your analysis and planning early enough in the season to enable you to complete work for all borrowers prior to spring farm work. The starting time, therefore, will be determined by (1) the number of families to be served by the county supervisory staff, (2) the time required for handling applications for new loans and carrying on other activities, including office routine, and (3) your capacity to organize and complete the job.

Starting Time for RR and RP Families.

Analysis and planning should begin as early as the group of families can close their business of the year before and

and plan their next year's operations; in other words, as soon as operations of the farmer have reached the point where his production and financial results are either known or can be foreseen with a reasonable degree of accuracy.

The analysis and planning period must be completed in time to enable all borrowers to arrange for the purchase of seed, fertilizer, livestock or equipment well in advance of the spring work and planting season.

Starting Time for Farm Ownership Borrowers.

Since the check-out period for these borrower families starts after the close of the fiscal year, (usually December 31), you cannot begin your analysis and planning period before January 1. This should be completed within a 30-day period if at all possible. The annual meetings for these borrower-families should be held during January.

Divide County into Areas.

Your county has been divided into areas according to the case load and convenience of travel, and set up in the Area Guide. Usually you can use these areas as a basis for carrying out your job of analysis and planning, but in some cases it may be necessary to set up a different arrangement of areas to facilitate this job. In such cases the district RR supervisor should assist in establishing analysis and planning areas. For example, if there are too many families in one area to be taken care of in any one month, that area may have to be subdivided. Or it may be inadvisable to have families representing different types of farming operations participating in the same analysis and planning group. Therefore an area which includes different types of agriculture may need to be divided or joined with another to meet that particular situation.

458.1
Area
Guide

The order in which analysis and planning will follow from area to area will depend on local conditions. It is important, however, that the same order be followed from year to year. In this way all plans will cover a 12-month period except (1) those families who have received their first FSA loans during the year, (2) those who may move from one area to another during the year. It may be necessary to contact these families individually, or they may be included in another analysis and planning group in

another area, and (3) the first year many families will need to adjust their time of planning to fit the analysis and planning dates of the area in which they live.

Accomplishing Analysis and Planning.

I Monthly Check-up.

Once a month during the analysis and planning period, with the assistance of the district supervisors, check your calendar so that you can determine the number of families it will be necessary for you to reach the next month in order to finish the whole job on schedule.

II The First Step with the Family.

During the first part of the month, the families chosen for that month's analysis and planning work should be contacted either individually or in neighborhood groups. During this part of the month the families will:

- A Close their Records.
- B Compute gains and losses in net worth (borrower's net income return, for Farm Ownership borrowers).
- C Compare last year's plan with last year's progress as shown in the Record Book.
- D Enter the inventory in the next year's Record Books.
- E Make any necessary tenure adjustments. (For RR families)

It is even more important that you visit the families who have had difficulty in maintaining a good Record Book so that you can visualize the progress made, and discuss their problems intelligently.

This general analysis will pave the way for free discussion of the family's farm and home problems in the annual borrowers' meeting.

III Annual Borrowers' Meeting.

This meeting is the highlight of the analysis and plan-

ning period. It should be held about the middle of the month, or earlier if possible. Its success depends on the preparation you make in advance.

This meeting is exactly what its name implies--an annual meeting for the families you have been working with in the area during the month, which may include one or more neighborhood groups.

The main purpose of the meeting will be to compare last year's plans with last year's performance, followed by a discussion of the factors contributing to progress or lack of progress during the past year, and on this basis deciding how the Farm and Home Plans can be improved for the coming year. The meeting should help the families see how they can make a greater contribution to the Food for Freedom program; how they can increase their net incomes and improve their living through better farm and home practices.

This meeting is especially important for families who have difficulty in keeping Record Books. At this meeting, Farm and Home Plan forms will be explained, and will be handed to each family, who will take the forms home with them and develop as much of the planning as they can.

438.1
F & H
Plan

IV Completion of Planning.

During the last half of the month you should meet the various families by appointment, individually or again in neighborhood groups. At this time, you will help them to:

- A Complete tenure arrangements, if needed (for RR borrowers).
- B Complete Farm and Home Plans for next year.
- C Prepare the loan docket, if need for a loan is indicated in the plan.
- D Prepare necessary renewals.

When it seems evident that the borrower will not be

464.1
Renewals

able to meet the existing maturities on his loan within a reasonable length of time, a Renewal Note should be prepared, rearranging the repayment schedules in line with his expected income for the coming years.

When Renewals are necessary, all outstanding Notes, regardless of status, having the same rate of interest, should be included in the Renewal. However, corporation trust fund notes must be renewed separately.

E Inspection of Security.

465.1
Security
Servicing

A complete inspection should be made of all chattels at the time of the farm and home visit to determine if a need exists for new mortgages. The chattels described on the mortgage should be checked against the borrower's inventory, to see:

- 1 Whether chattels are all there.
- 2 Whether additional chattels have been added.
- 3 Whether the Government security is being well cared for.
- 4 There also will be instances at this time when re-lease forms or other necessary documents in accounting for security should be prepared.

A specific example of analysis and planning, where farming operations normally start in the spring:

In "Blank" County, with 150 standard RR borrowers, the RR and HM supervisors' goal is to finish the analysis and planning job by March 1. They can handle, say 30 families each month and, it would take them five months to finish the job, from October through February.

Area 1	Area 3
Area 2	Area 4
	Area 5

Let us say their county has five areas, with 30 borrowers to each area, and that local farming conditions make it advisable for them to start with Area 3 in October because the families there have progressed to a point where analysis and planning is feasible.

During the first part of October, they will visit all families in the area, either on their farms or in small neighborhood groups of 8 or 10 families. They will help them close their Record Books, enter the inventory into the next year's Record Book and find out whether tenure adjustments are necessary.

About October 15, or before, they will hold the annual meeting for the area, attended by all 30 families, for the purpose of discussing last year's operations and outlining next year's objectives.

During the last two weeks of October, they will meet each family on the farm, or by individual appointment at a central meeting place. This is the time for completing Farm and Home Plans, renewing notes if necessary, checking chattels and mortgages, and seeing that everything is in order for the coming year.

In November, they will perhaps move on to Area 2; in December to Area 1; and so on until they have completed the analysis and planning for all families in their county.

It will be necessary that a "fiscal year" be set up for each area and that borrowers in Area 3 understand that their fiscal year is from October 1 to October 1 and that each year they will make their cut-off and summarize their Record Books as of October 1.

This fiscal year will be recognized by the Internal Revenue Department. There is a feeling on the part of many farmers that their Record Books must be summarized on the basis of the calendar year. Obviously if this practice were followed in all areas the borrowers in Areas 3, 2, and 1 would lose the value of the summarized record of the past year in setting up their plan for the coming year. Should the supervisor delay the Analysis and Planning work until the end of the calendar year, there will be another repetition of farm plans incomplete - spring

seeding begun - and some frantic hurried work by supervisor and borrower alike in attempting to get "under the line".

It is your job to adapt the above example to meet your particular situation, keeping in mind that all families should have any necessary supplemental loans advanced to them prior to spring planting.

As the Planning and Analysis work in each area is completed, the office personnel should prepare the necessary loan dock-ets for approval.

You will have much to show for time and effort intelligently applied to Analysis and Planning. The families will have carefully reviewed their past year's performance, learned definitely what progress they have made and mistakes they have committed, and will have prepared realistic Farm and Home Plans for the coming year. From the Analysis and Planning, and from "talking things over" in the annual borrowers' meetings, they will have gained a clearer understanding of what they want to achieve and what they will need to do in order to reach their goal.

You will have accomplished much of your year's "paper work" and thus will have more time the rest of the year for on-the-farm supervision, for group meetings, for processing applications for new loans, for developing the over-all FSA county program, and for tours and talks and other public relations activities.

You will want to guard against letting this prolonged analysis and planning effort degenerate into mere routine. That would be an easy thing to do but it would be a disastrous thing. Remember that the question at issue is whether, by virtue of the suggestions you make and the help you give, families who have heretofore been relatively unsuccessful in their struggle for existence shall hereafter be relatively successful. Human destinies are at stake and your capacity to influence people is under test.

SUPERVISION: CARRYING OUT FARM AND HOME PLANS

In helping families carry out their Farm and Home Plans, your guidance and assistance should be so directed that you are giving them help on a particular phase of their operations at the time they need it most. For example, farm supervision in the early spring needs to be centered on preparation of the ground for planting and selection of the best seed varieties while in the fall, it needs to be centered on proper harvesting, storage, marketing or utilization of the crop; home supervision in the canning season needs to be focused on gathering the product when it is ready for proper processing and storage.

I Grouping Families for Supervision.

Some families need more help than others. You will find it easier to distribute supervision so that those families who need the most will get it, if you will place all Farm Security borrowers in your county into A, B, C, and D groups according to their needs for supervision-- the A group for those who need the least, the D group for those who need the most. An analysis of certain factors will help you to make this grouping. These factors are (1) the family's farm and home practices, (2) their ability to understand and to manage, (3) their ability and capacity to carry out their Farm and Home Plan, (4) their resources, (5) their skill in doing things, (6) their attitude, (7) their integrity, (8) probability of their starting a new enterprise on which they will need help, (9) their ability to keep and use a Record Book, and (10) their participation in community activities.

758.1
Grouping
of
Borrowers

Thus, you might place a family in group C or D, not because they are slow, but because they are beginning a dairy enterprise or some new farm and home organization and will need special assistance for a while. Or you might place a Farm Ownership borrower family in group C or D for the first year because of the legal problems involved in loan closing, necessity of seeing a repair and construction program through to a completion, and getting a system of farming and homemaking successfully underway. At the next grouping, these families might go into group A.

A new borrower will be grouped into B, C or D when the first Farm and Home Plan is approved. A borrower should never be placed in the A group the first year. At the end of the year, you will review the grouping with the assistance of district supervisors and Area personnel to determine the group in which the family will be placed the next year. At this time, steps in future supervision should be planned, showing the methods to be used and specific adjustments to be made. A tentative calendar for supervision will then be prepared.

Most problem families probably will be placed in the D group and you will set up definite plans to give these families special help. District supervisors and, in some cases, Area personnel should visit these families with you to analyze their situation and to determine why they aren't making progress.

Methods of Providing Supervision.

A The Farm and Home Visit.

An effective farm and home visit is supervision at its best. Nothing can take the place of personal contact with the borrower and his wife and children, in their own home, on their own farm, where they feel free to discuss their hopes and plans, their disappointments, and their successes. Only on a farm and home visit can you see what's going on. For example, if you find pigs that are wormy, you will see why a loan payment may be behind schedule. If you see the homemaker canning corn that is too old, you will understand why some of her canned food spoiled. Other methods of supervision will supplement farm and home visits, but cannot replace them.

Prepare for every visit.

It is now more essential than ever that every visit you make to the farm and home you accomplish as much with the family as possible. "Pop calls" are out. With limited travel facilities and increased work, every visit should be carefully planned. The seasonal guidance which the family will need in carrying out their Farm and Home Plan will be the basis for planning for the visit.

- 1 At the weekly staff conference when the itinerary for the week is developed from the Area Guide, the supervisor who is to make the visit should get from other staff members any information needed to make a well rounded and complete visit.
- 2 Review the field folder for each family immediately prior to the visit to determine what you will emphasize and how much you will attempt to cover on this visit.
- 3 Plan to emphasize only three or four major problems. Anyone becomes confused when he tries to absorb too much information at one time.
- 4 Have ready the materials you will need, such as bulletins, demonstration or illustrative material.
- 5 Notify the family of the date you plan to make your visit so they can plan for it or can let you know if they cannot be at home. Ask them to have ready special problems on which they would like assistance.
- 6 Take extra field folders with you so that a full day's work can be accomplished in case families who were originally scheduled for visits are not at home.

Making the visit.

- 1 Begin with the family wherever you find them. If the homemaker is washing, your visit will probably start with the problem of the family laundry. If the farmer is in the field, you will begin discussing the crop in that field. From there you will continue your visit. The farmer or his wife will be ready to stop their work to go over the farm or into the garden or through the house with you, if you have planned well for the visit and have some real help to offer.
- 2 Approach the family in a spirit of helpfulness. Let them know in the beginning you came to help them. Refer to some problems discussed at the

last contact.

- 3 Be direct and businesslike, but never dictatorial or condescending. Don't waste time on a visit. Get into the real purpose for which you came as soon as possible.
- 4 Find out what progress has been made since your last visit and compare this with what the family planned to do as shown on pages e, f, g, and h of the Record Book. In this way you can relate this visit to the last one. Always find something for which to commend the family. Everyone likes a little praise.
- 5 Inspect the garden, the cows, the poultry flock, and the hogs on every visit to see that the best practices possible are being carried out. You should be very sure that the families know and understand what these practices are.
- 6 Show the families how to carry out these practices. Don't just tell them what they are. When you demonstrate a method by actually going through the process yourself, the family will understand better how to do the job. They will also have more confidence in your ability if they see that you really know what you're talking about. If you have planned your visits you will have demonstration material and equipment with you.

For example, if you find beetles on the beans, and have a dust gun and insecticide with you, you can then and there show the family a good type of dust gun, the proper kind of insecticide and the right method of applying it.

- 7 Find out about the family's health--whether sickness has occurred and whether any health problems have arisen since the last visit. Is the water supply protected? Is there a sanitary toilet? Is the family getting the necessary medical attention? Are they participating in a Group Health Service? What progress has been made toward getting chronic ailments corrected?
- 8 Are the children in school? If not, try to find out

the reasons, and help make plans that will enable them to attend.

- 9 Make use of the information in the Record Book on every visit. Families will keep records when they learn how to use the information. You can point out the usefulness of keeping records by asking a few questions. For example, what have been the sources of income for the period since the family was last assisted with their record? Have there been changes in conditions that warrant a change in plans? Did the income meet family living and farm operating expenses? What food is being bought that might have been produced? How much buying "outside the plan" has been done? Were any "bad" buys made? It is only by making use of the information in the record book throughout the year that you can show the family the value of records. 731.1
- 10 Encourage all efforts of the family at self-help, such as making simple repairs and conveniences, farm tools, furniture and furnishings, mattresses and bedding. Does the family have a workshop? Do they have or have access to the essential equipment?
- 11 Discuss any problems the family has with respect to their loan account. Many times the borrower will have questions about his latest billing or other fiscal business with the Farm Security Administration. Such problems should be cleared up for the family. Inspection of chattels and comparing them with those listed on the securing instruments is important. Incompleted release actions and execution of forms pertaining to security property contemplated for sale in the immediate future should receive your attention on each visit wherever needed. Anticipated collections should be discussed and definite plans made for their remittance. Loan servicing on regular supervisory farm and home visits will eliminate trips for this purpose. 463.2
Security
Servicing

465.1
Releases
- 12 Give the family an opportunity to discuss with you any problems that have arisen since your last visit.

- 13 Plan with the family the work which they will need to do during the next period in carrying out their Farm and Home Plans and assist them in recording this work on pages e, f, g, and h of the Record Book.
- 14 Be sure that you give the family the guidance they need for carrying out these plans.
- 15 Summarize your visit. You will want to be sure the family understands the main points you have covered in your visit and that they understand the reasons for your advice and the benefits that will be derived.
- 16 Plan for your next visit. Before leaving, discuss with the family the help they would like to have on your next visit. This ties your visits together and helps the family to analyze the kind of help they need. Let them know about when you expect to return, and record on running record for entry on Area Guide Card.

Evaluating the visit.

After leaving the home and farm it would be well to ask yourself such questions as these to help you determine the value of your visit to the family.

- 1 Were the important problems discussed and a solution reached?
- 2 Can the family carry out the suggestions made?
- 3 Had the family carried out the plans that were made on the last visit?
- 4 Was information and advice given in such a manner that the family could understand and use it? Did I use simple, direct language?
- 5 Did I have with me all material needed?
- 6 Was the preparation I made sufficient to meet the situation?

- 7 Did the help I gave the family make them more aware of the contribution they can make to the Food for Freedom program?
- 8 Is the family better off for my having made this visit?
- 9 Did I leave the family hoping that I would return?
- 10 Did I organize my visit so that no time was wasted and yet the visit did not seem hurried?
- 11 Did I give the family too many suggestions?

Following up of the visit.

If you promised the family any instructions or materials, be sure to send them. There is no easier way to lose their confidence than to promise something and neglect doing it.

Complete the running record in the field folder. This record written in longhand should be initialed and dated in the margin by the supervisor making the visit. In case of a joint visit both supervisors will initial it. It should show the situation at the time of the visit, the progress that has been made and the chief problems that have arisen since the last visit, the action planned, the approximate date of the next visit, and notations of needed follow-up which the supervisor will need in making the next visit. This will be a permanent record of the help and guidance which the family has received from the supervisor. Such a record will contain only statement of facts. It need not duplicate the information on pages e, f, g, and h of the Farm Family Record Book, since these pages only list the seasonal jobs to be done by the family in carrying out their Farm and Home Plan. Make the record brief, concise, clear, and in outline form. The Area Guide clerk will enter the necessary information from the record on the Area Guide Card.

You should discuss with other supervisors at the staff conference the general progress and problems found on your visit.

B Group Meetings.

People who have a common interest like to come together to talk, to discuss their problems, to play, to share experiences. Most people learn faster, find more entertainment and work better in groups than alone. Vice President Wallace recently said, "Men cannot be really free until they have plenty to eat and time and ability to read and think and talk things over".

Because farm families live farther apart than city people, and because their work is largely individual, they need to meet in groups not only for the material gains that come from talking over their experiences and plans, but also for the confidence that comes from the belief that they belong in the group and have a contribution to make. Perhaps even more than these things, THEY need group organization as a megaphone through which they can make their voices heard.

Kinds of group meetings.

- 1 The applicants' meeting.
- 2 Group meetings for preparing Farm and Home Plans.
- 3 Annual borrowers' meetings.
- 4 Neighborhood groups for discussion of farm and home problems.
- 5 Group meetings for demonstrations.
- 6 Educational tours.
- 7 Meetings for organizing, promoting, and managing cooperative services.

In assisting families in carrying out their plans, neighborhood discussion groups, demonstration groups, and educational tours have had a most important place.

Where to hold group meetings.

The place to hold any group meeting will be the place

where best results can be obtained--no one place is best for all groups or all meetings. Probably there is no better place to hold a meeting on gardens than in a garden, or on dairying than in a dairy barn. The meeting place should be convenient for the people who are to come--in a home in the community, the local school, church, or community building. If possible, the meeting should be held in a place where people have been before. If held in town, it should be held in a place that people can find easily. The meeting place should be comfortable, well lighted, and arranged so that people will be made to feel at ease and as comfortable as possible. For example, informality is encouraged when chairs are arranged in a circle instead of rows.

For whom are the meetings held?

They are held for FSA applicants and borrowers and their families. Older boys and girls should be encouraged to come and participate in the discussions, committee members, and others interested in farming problems can make valuable contributions to meetings--they can also gain knowledge and information which they may pass on to others.

Time of holding meetings.

The time to hold a group meeting depends on the thing to be done, and only when one is needed to accomplish a purpose. The hours of the meeting should fit the farmers' time. As few meetings as possible should be held during busy seasons.

Size of meetings.

The size of the group will be determined by:

- 1 The type and purpose of meeting to be held. If there is to be much discussion, the group should be limited to 10 or 15 families. For a demonstration or an educational tour, the group might be larger but should not exceed 25 to 30 families.
- 2 Distance and travel facilities. Families should not be expected to attend meetings far from their

homes, especially when travel facilities are limited.

- 3 Common problems. Will the problems be similar enough and the remedy uniform enough so that group discussion will stimulate constructive thinking which will lead to action?

Preparation.

If you want a group meeting to be successful, you will make careful preparation for it. Know what you want to get across. Make an outline of the points to be covered and the way each will be presented. Don't try to cover too much ground in one meeting. One topic well discussed and understood will be much more helpful than three or four topics which are only partially understood.

If you want to get people to the meeting, you must make them want to come. A letter or notice in the paper will not be sufficient. You may want to contact them individually, or ask a neighbor to see them, or send word by the school children. Let them know before they come that they will get some benefit from the meeting.

All material--charts, posters, graphs, illustrations, and demonstrations--should be prepared in advance, and in such a way that it will be of the most help.

If it is to be an all-day meeting, definite arrangements should be made for a simple, light lunch. Most meetings are improved by some type of ice breaker or recreation to get the group acquainted and to break the monotony. This should be well planned in advance.

Group participation.

Make the meeting vital. The group will have problems that concern them deeply and the approach in each meeting should be made through the problems that demand immediate attention. Encourage borrowers to suggest topics for discussion.

Make the group feel that the meeting is theirs. Your job is to draw the group into the discussion. Try to get everyone to participate. Ask questions. Give as many of

the group as possible something to do. Ask someone to tell of his progress or accomplishment on the topic being discussed. No one person, however, should be permitted to monopolize the meeting. Keep the discussion on the topic. Use a blackboard when possible for illustration, to write down conclusions, goals, or results.

Get variety into the method of presentation. No meeting will be successful if it is made up of long speeches. Film strips, exhibits, slides, posters, and charts pertinent to the subject are valuable aids in a meeting if they are presented so that the group can understand them.

Learn how to summarize so that the group will carry away with them the main points and results of the meeting. Begin on time! Stop on time!

Evaluate the meeting.

How successful was the meeting? To help determine the value of the meeting and to plan a better one next time, ask yourself these questions:

1. Did all the families come who were expected? If not, why?
2. How many families who attended the last meeting came to this one?
3. Did all persons participate freely?
4. Did I or anyone else take too much time on the program?
5. Were the objectives accomplished and the main points of the meeting made clear?
6. Did I have time to make a full summary of the discussion?
7. Did the meeting lag?
8. Did the families have a good time together?

- 9 Did they linger after the meeting to carry on the discussions?
- 10 Did they show any indication that they would like to have another meeting?

C Demonstrations.

Demonstration is an effective way of teaching families how to do things they need to know to carry out their Farm and Home Plans. A demonstration not only tells how to do something, but shows how to do it. It shows the step-by-step process and the finished article. It should be so well organized and presented so clearly that those who see it will be able to do the same thing themselves.

Demonstrations should be timely and should fit the needs of the families. They should be given just previous to the time the family will be carrying out a given process or practice.

On a farm and home visit you will often find it advisable to demonstrate some practice to the family or a small group of families. Equipment and supplies for such a demonstration should be of a type the family could be expected to have and you can carry in your car.

The length of a demonstration is determined by the process to be demonstrated. To avoid being too long it is often necessary to prepare beforehand materials to show important steps in the process; for example, in a bread making demonstration it is well to have dough ready to knead into a loaf in addition to a finished loaf of bread to show all steps in bread making.

To give a good demonstration.

- 1 Have a thorough knowledge of the subject.
- 2 Practice the demonstration so that you will gain the self-confidence and assurance necessary to put it over.
- 3 Make an outline of your demonstration plan which will

include the points you want to make, the steps in the process, the materials and equipment needed to give it.

- 4 The place and space should be suitable. A demonstration of making a brooder house might be given in the barn, in a carpenter shop, or out under a tree. A demonstration of planting berries or shrubs might be held in the garden.
- 5 Have necessary equipment on hand. For example, a stove and work table are necessary for a cooking or canning demonstration.
- 6 Assemble all materials and supplies needed. In a cooking or canning demonstration keep the space in front of you clear by arranging your equipment and supplies conveniently at the sides and back of the work table. All this should be done before starting the demonstration. Be sure that everyone sees and understands every step of the process.
- 7 Do not let the demonstration lag. Always encourage the group to ask questions or to practice some of the steps covered by the demonstration during unavoidable waits.
- 8 Illustrative materials such as posters, diagrams, charts, bulletins pertinent to the subject to be demonstrated should be put up or organized for convenience before the demonstration.
- 9 Before completing the demonstration summarize the steps in the process and the important points made and give the group a chance to ask questions on any points not clear.

Illustrative materials.

Motion pictures, film strips, black and white or color slides, posters, charts, pictures, graphs, models, articles of clothing, canned goods, and actual farm and home products furnish excellent means of supplementing supervision for farm families, and also of letting people in the community know about

the work of the Farm Security Administration and the problems and progress of the farm families it serves.

Supervisors themselves prepare most of the exhibits and charts they use. In an exhibit you will see that:

- 1 It is carefully planned so that it presents but one central theme.
- 2 Every article in an exhibit should be of good quality and selected so as to carry out the central theme.
- 3 The exhibit should be plainly labeled and it should tell its own story. (It should never be necessary to have someone present to explain it.)
- 4 Every exhibit should have something unusual to attract attention—light--color--sound or motion.

D Off-the-farm Contacts with Borrower Families.

Every contact you have with the family should count. When the borrowers or members of the family come to your office for help or to make a payment or when you meet them on the street or at a neighbor's, use the opportunity to get over some definite information which will help the family. Never be too busy to give them the help they ask or tell them where to get it.

Contacts of this kind furnish an excellent opportunity to give help on special seasonal problems which you know relate directly to the family's problems and will be a further means of carrying out their Farm and Home Plans.

DEVELOPING THE FSA COUNTY PROGRAM

Many of the difficulties of the low-income farm families with whom you deal are community or county-wide in scope and must be attacked through community and county-wide planning.

The over-all problems in your county and in adjoining counties are the basis of the area program. Your over-all county program will be used to help build up the area program, and the work of the area specialists in developing an area program will help you strengthen and carry out your program.

To develop and carry out a war time food production program for your county, you will develop a written plan, which will be directed towards the long time objectives for the area. To do this, you will:

Know the Problems.

Bring together all the information you can get from every possible source about the county's problems and war production needs. Your county FSA Committees and War Board should be invaluable in acquainting you with local problems and needs. Many problems will show up in reports and data of Farm Security's Program and Reports Division and 1940 U. S. Census statistics. Special local studies made by colleges and other agencies in the field of agricultural economics, health, sociology and family living will be valuable when studying county problems. Full use should be made also of the County Agricultural Program Planning (Land Use Planning) Committee's report which outlines neighborhood, community and county problems and goals.

Draw on the knowledge of farmers, committeemen, council members and leaders of neighborhood study groups. The prevalence of certain problems in some areas will show up when you help families make their Farm and Home Plans, and on trips to their farms. You will observe other problems as you drive around the county or talk casually to people here and there.

Prepare the Plan.

You should discuss the problems and solutions with your committees and outline a plan leading toward the correction of these problems. Then you and the committees should discuss

which problems can and should be corrected this year and prepare a written plan to cover these. It is important that you and your committees see your community as it is and as it should be. The democratic steps which lead to economic and social betterment for all the people of the community will then be apparent. A plan for developing your county program will cover (1) factors which stand in the way of maximum production of needed foods and fibers for the war effort, (2) all factors which cause people to be poor, (3) what will be done to correct them, (4) when it will be done, and (5) who will be responsible for various phases of the work.

You will be thinking and discussing with the committees needed improvements in the county program and will revise the written program each year in time for use during the Analysis and Planning period.

Carry Out the Program.

Your plan will show that the problems of the communities are many and varied. You will have to use all of your own resources and all of the help you can get from the committees and community in order to solve them.

Some parts of the program will pertain to a whole county, while others may apply to particular communities or neighborhoods.

For example: It may be desirable to change from a cotton economy to a diversified economy. Soil erosion may be serious all over the county so you will want to encourage tenants and landlords to make provisions for soil conservation in their leases, or to encourage farmers to set up a Soil Conservation district. You will schedule group meetings on the subject and help your borrowers get the necessary materials and equipment cooperatively. Health services are inadequate or the people are not getting adequate medical care, and you will try to get a Group Health plan started. Maybe water supplies are not properly protected or sanitary facilities are inadequate, and you will want to start a sanitation program. You may find that families in one community have never had good gardens and their nutrition needs improving and will make plans to correct the situation. Maybe the quality of livestock in Doetown community is poor and you will need to stress better breeding, feeding and management there, while around Roeville better leases are needed so that something can be done about housing needed to protect the health of families.

YOUR OFFICE JOB

The efficiency of the Farm Security Administration depends largely on the smoothly running operations of the county offices. Careful planning and organization of the many different tasks to be accomplished by each member of the county staff will go a long way toward getting those tasks completed at the end of each day, week, and month.

General Office Organization.

While the RR supervisor is accountable for the general administration of the office, the entire staff has a responsibility in making it an efficient unit. The work should be so organized that the RR and HM supervisors can spend the major part of their time in the field. All routine and paper work possible should be turned over to the clerical staff. Clerical workers should set aside an hour each day for keeping the Area Guide up to date, filing, and performing other regular daily routine tasks. The Area Guide is the hub of county office activity. Everyone on the staff must be familiar with it and form the habit of seeing that all information for the Guide flows over the desk of the Area Guide clerk.

458.1

Keep the office neat and clean. Make intelligent use of the wall space by posting timely, appropriate, attention-compelling posters, pictures, charts and maps. Place FSA publications and other reading material in a bulletin rack or on a table where they can be reached conveniently by visitors. Make it easy for callers to find the office--have a good sign on the door and see that the office address and telephone number appear correctly in the telephone and other local directories.

Annual Plan of Work.

You will develop a plan of work each year under the guidance of the district RR and HM supervisors. This annual planning should be done about the same time each year and sufficient time set aside to do it carefully.

After the annual plan has been decided on, it may be possible for it to be broken down into months and the pages filed in the Area Guide under the different months.

Monthly Staff Meetings.

In every county the entire staff meets monthly to work out in detail the plans for the month based on the annual plan and to discuss the problems and progress of the previous month. Field visits will be mapped, and definite meetings and appointments scheduled.

As you review the borrowers' cards and field folders during the monthly meeting, you will keep in mind (1) the plan for the month ahead, (2) the amount of time available to do the work called for in the plan, and (3) the best methods of carrying out the plan. You will consider the families who need help most and the kind of help they need during the month. You will then make plans for farm and home visits, group meetings, demonstrations, and so forth, to reach as many of these families as possible, considering the most urgent cases first. Carefully consider whether a letter could do the servicing job without making a visit. No plans for a month should be made without leaving one or two days to cover emergency situations that may arise without falling behind schedule.

Each monthly staff meeting should be planned so that the district RR and HM supervisors or the Area HM supervisor can be present to discuss problems and progress and any new policies or procedure and to give training which will result in better assistance to families.

Weekly Staff Meetings.

A staff meeting is held each week to clear up questions, to discuss any emergencies that have arisen, and to revise the month's itinerary, if necessary.

Office Days.

A definite day each week is set aside for borrowers to visit the office - usually the day on which farmers ordinarily come to town. On this day, you will remain in the office.

Except when it is necessary to complete loan docket, you should never spend more than a day and a half each week in the office. When you leave the office at the end of an office day, you will take with you the field folders of borrowers whom you will visit the next day so that you will not have your day in the field shortened by being held up in the

office.

Field Days.

On your field days you do not come to the office until late afternoon or evening. When a borrower comes to the office on a field day and wishes to have a visit with you, the clerk-typist consults the Area Guide to see when the next visit to that area is scheduled, and informs the borrower when to expect you. If the borrower knows he can depend on seeing you at that time, he may not request a special trip. You will notify him if any change is made in the date for the visit.

YOUR WORK WITH THE COMMITTEES

Committees and the Council are your Balance Wheel.

A well informed county committee is a valuable aid in doing your job. Farm Security procedures require some differences in adaptation in each county. Local farm men and women, who are in sympathy with the objectives of Farm Security and sensitive to local problems, can guide you around many pitfalls in making the necessary adaptations.

- I The RR Committee advises you with respect to RR applicants, problems and resources of the county.
 - A Choose them wisely. Give due consideration to their qualifications. Consider farm women as well as men, colored representatives as well as white. 403.1
731.1
 - B Inform them well. Report to them at regular intervals on the status of the RR program as to number of borrowers, collections, liquidations, group activities, organized cooperatives and related activities and problems. Familiarize the members with the practical application of planning in making needed farm and home management adjustments by reviewing a number of plans with the committee on the farms. Acquaint them with their duties and functions.
 - C Use them constantly. Get their advice with respect to applicants and questionable loans and have them review problem cases. Secure their active participation in the development of criteria and standards of farm and home management practices. Get help from them in discovering county and community practices and customs which are hindering the proper utilization of all the resources of low-income farmers and in developing solutions for these problems. When special informational jobs become necessary, as at present in adjusting to the war effort, use committeemen to extend your contacts quickly and effectively to all the borrower-families.
 - D Committeemen who are sincerely interested in the program will refer low-income farmers in need of FSA assistance to your office.

II The FDA Committee helps you provide a debtor-creditor and tenure improvement service for the county.

403.1

A Note the special qualifications required for committee members. All members should be free from the types of pressure that would tend to restrict their individual and collective efforts toward obtaining revisions of credit and tenure practices in the county which are inimical to low-income farmers in the production of Food for Freedom.

B Acquaint the committee with their duties.

C Help the committee to organize and establish a regular place and date of meeting. Let the public know where and when this debt conciliation service is available. Develop with the committee methods of determining the debt paying ability of families and the rent paying capacity of farms. Set up criteria of satisfactory and objectionable terms of tenure instruments, such as leases, mortgages, and land purchase contracts. Help the committee to correct unfavorable credit and tenure conditions in the county by conferences and discussions with landlord-tenant groups and other interested persons, and by negotiating fair adjustments for individual families who apply for assistance.

III The Farm Ownership Committee is required by law to select the families and appraise the farms for Tenant Purchase loans under the Bankhead-Jones Farm Tenant Act. This committee also considers applicants for Farm Enlargement and Farm Development loans. Therefore:

403.1

A Choose the members with especial reference to their good judgment in dealing with farm families and the confidence which they will inspire.

616.1

B Train them for their duties and responsibilities and assist them in following proper procedure.

621.1

C Use them not only for the discharge of their formal duties of certifying applicants and farms but also for explaining to applicants, either individually or in groups, the obligations and responsibilities of Farm Ownership borrowers. Likewise, the committee

should go further than the simple certification of farms to assist you and the borrower in negotiating options and securing reductions in option prices.

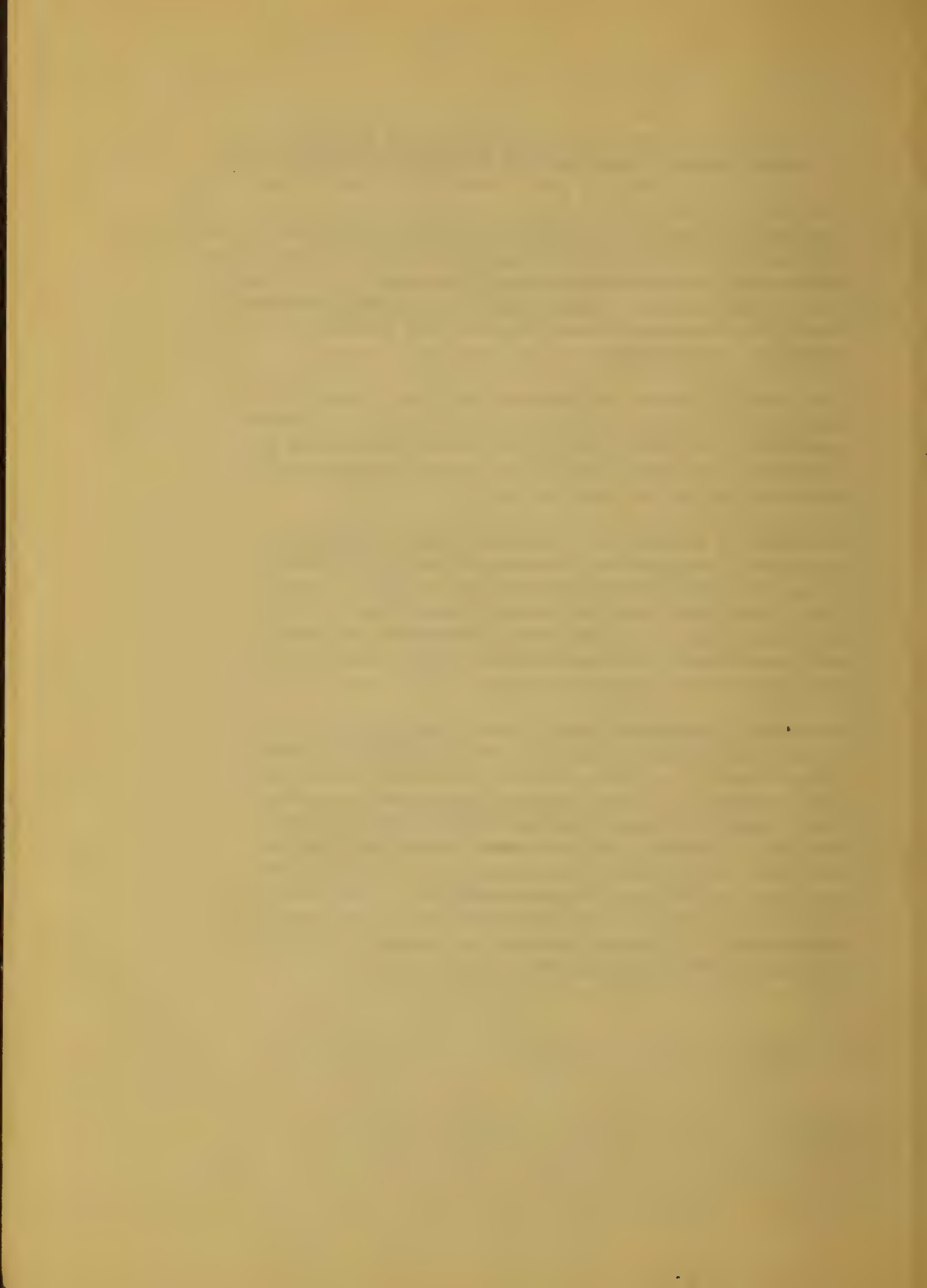
- IV The County Farm Security Advisory Council is made up of the members of all three committees, and also has three members-at-large who do not serve on any of the committees. The council is your public relations representative. Be thoroughly familiar with its purpose and the duties of its members.

403.1

Use council members to explain the FSA program to the public. The three members-at-large should be chosen especially for their effectiveness in presenting Farm Security's program for the low-income farmer to civic clubs and other influential groups.

In order to interpret, the council must understand. Give them the necessary background on the problems which make an FSA program essential, through reading this Guide, the book entitled "Toward Farm Security", the "Report of the President's Committee on Tenancy", and more recent information relative to agriculture's responsibility in the war effort.

When they understand, they should analyze. Help them to see their county and its local communities through the eyes of low-income farmers. Examine available credit systems, land tenure methods, marketing facilities, farm and home management practices and rural customs. Encourage them to find solutions for the problems they discover and to help the FSA to carry out these solutions. The council should help you correlate and expedite the activities of the separate committees. It should become your closest tie to the county and its communities.



YOUR RELATIONS WITH THE PUBLIC

The supervisor who does a good job of getting information to the people in his county about the Farm Security program--how it helps families who qualify for loans to increase their production of Food for Freedom and improve their living conditions--how the gains these families make are of benefit to the community and the Nation--usually is the same supervisor who does a good job with other aspects of his work.

041.10

"Information" is not something apart from administrative functions. It's part and parcel of good administration. Unless people are adequately informed about the program, you can't do a first-rate administrative job. Farm families who need our services won't be able to take advantage of them unless they know that there is a Farm Security program and where they can go to apply for loans. And the more informed they are about Farm Security before they come to your office, the less time you will have to spend explaining what you can do--or can't do--for them. Getting fair tenure and debt adjustments for farmers are possible only if landlords and merchants and other creditors understand the Farm Security program and its objectives.

Few people even in small rural towns understand the problems of the low-income farmer and how he can be helped. To spread this understanding and what the FSA is doing for these families will develop for you effective assistance and backing from the local leaders of your community. With their help you will be able to do a much more efficient job.

And you have an obligation, as a public servant, to make facts available to the public. In a government "Of the people", the people have a right to know what your job is, what your goals are, how well you're doing your job. They have a right to expect full, frank, friendly reports to your boss, the taxpayer..

How courteously you turn aside an applicant who can't qualify for a loan, how steadily you cultivate relations with the AAA committeemen, the County Agent, county officials, the Production Credit man, the vocational teacher, the welfare director, the banker and the merchant and your own Advisory Council members and Mrs. Smith, president of the PTA--these have an important bearing on your community's acceptance of

the Farm Security program.

Farm Security has a set of memoranda with other agencies. Know their content. But don't depend on memoranda and attendance at USDA war board and land use planning committee meetings to keep you on good terms. Keep up a day by day, friendly liaison, and you'll find yourself getting a lot of help in carrying out your job. You'll also see more opportunities to help the other fellow.

Discuss Farm Security (and tell specific case stories) to key citizens and leaders, the clergyman, the welfare worker, the school teacher and county health official, the editor and correspondent for the city paper, the president of a missionary society and the Rotary club, leaders of farm organizations. Some supervisors make a practice of carrying some local leader around once in a while on family visits, always, of course, with advance permission of the families.

Base your relations with the newspaper editor, and the radio station manager, on (1) an effort to find out what he wants, and (2) a desire to help him. What the editor wants is local news, about local people, with names; told in simple language (short words, short sentences); typed double-space on one side of the paper; and turned over to him early in the week, preferably three or four days before the paper goes to press. Give him items about group meetings; about how the Doe family tripled their canning this year. When you receive "fill-in" news releases from the regional office, localize them with facts and figures for your own county and with local case histories, reword them to suit your situation, then retype before submitting to the editor.

Drop in to chat with your editor from time to time. Tell him about a family you're working with, ask his advice. When you are in from a swing around the county, tell him about a group of families using their equipment cooperatively for the duration, or about the home nursing class that is starting in the Smalltown school a week from Friday. Items of this sort are the lifeblood of the country paper, and the editor will appreciate your interest in telling him about them.

What the radio station operator wants is interesting material presented in an interesting way. On the radio, interview a borrower and his wife, or an FSA committee member or other community leader. Use this medium of reaching people not only to present information about the Farm Security program but to

publicize the contributions which small farmers are making to the Food for Freedom drive and to the whole war effort.

In all your relations with other people, whether direct or through print, try to convey the spirit of the Farm Security program. Make the public aware of the problems of low-income farmers, and of how they usually "make good" when given the opportunity. We're fighting a war to establish throughout the world the Four Freedoms. Farm Security, for rural America, is the Four Freedoms in action. President Roosevelt has termed the FSA program "essential to the whole war effort". It's essential, too, to the achievement of our ideals of American democracy.

IF LIQUIDATION BECOMES NECESSARY

The recommendation for liquidation of a borrower's loan is a step which you should take only after a most exhaustive review of the case indicates that such action is unavoidable. This step is a serious one which may mean the loss of the family's contribution to the war effort and may also mean to the farm family the loss of any future hope of rehabilitation in a farm enterprise.

You should approach the subject with the idea in mind of finding ways and means for the family to continue in its efforts toward rehabilitation instead of trying to build up a justification for a predetermined decision to liquidate. When, however, you have decided that closing out of the loan is the only course open you should prepare your recommendation fully supported by factual information including a lien search report for transmittal to the district RR supervisor for recommendation or approval.

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If the approving official concurs in your recommendation you will be notified and from that point on the liquidation of the account should be pursued with dispatch. This will necessitate a complete knowledge of FSA liquidation procedures as supplemented by those of the regional attorney. It is essential for the protection of yourself, the borrower and the Government that these procedures be followed without deviation.

Liquidations in general fall into two categories, namely, voluntary and involuntary. Roughly the difference between them is that on one hand the borrower evidences compliance in the action through the signing of Form FSA-LE 209, "Agreement for Voluntary Liquidation of Mortgaged Chattels", Form FSA-LE 217, "Agreement for Public Sale", or Form FSA-LE 226, "Offer to Release Lien", as against a liquidation that is effected through due course of law or strictly in contravention to the borrower's wishes.

I Voluntary Liquidations: The great majority of liquidation actions should be through the voluntary method which generally involves the repossession, custody and disposition of pledged security by the RR supervisor with the concurrence of the borrower in writing. In cases of private and public sales by the borrower, however, liquidations do not involve repossession, custody

and disposition of pledged security by the RR supervisor. Voluntary repossessions, except in cases of abandonment where you are given specific authority by FSA instructions, should never take place until this action has been concurred in by the authorized official.

- A Repossession. The most common means of taking possession of chattels is to effect the transfer through execution by the borrower of Form FSA-LE 209, "Agreement for Voluntary Liquidation of Mortgaged Chattels". Whether or not this form will be used for your county will depend upon administrative decision based on custom and on the opinions of the representatives of the Solicitor's Office in the individual regions. This form must definitely indicate the chattels involved in the repossession and the minimum price that is to be received if sale is private. You should be sure that no chattels are included other than those actually encumbered in crop and chattel mortgages either through specific description or covered by after acquired clauses or other lien instruments.
- B Custody of Repossessed Property. Another important fact you must not overlook is that at the time of execution by the borrower and yourself, you acknowledge possession of all of the property described and agree to act as agent for the borrower in its proper care and disposition. Consequently, you can see the necessity of having previously arranged for the services of a custodian for the property in order that you may not have on your hands security for which you are responsible, but for which you have made no arrangement for care and custody. As a matter of general policy it is suggested that you, well in advance of the necessity for action, realize that there are going to be liquidations within your county area and plan for such eventualities. Generally it would be expedient to survey your territory and select certain borrowers or other farmers in strategic areas who would be willing to accept the responsibility of custodianship and whose farms have the physical capacity to care for the types of chattels that might have to be repossessed in that locality. This will mean that these custodians would be on call, on the basis of an executed Form FSA-LE 210, "Agreement for Temporary Custody of Property", to transport when possible and care for certain chattels

repossessed by you for the remuneration stated in the "Agreement". When separate transportation costs are involved they should be properly supported and necessary deletions made in Form FSA-LE 210. A system such as the above would save you considerable time and would result in benefit to the borrower and the Government.

The Form has been prepared to cover only custody of livestock with the one exception of equipment being repossessed from the same borrower at the same time. It is permissible, where specifically authorized by the Regional Director, to include in the Agreement in these cases such equipment provided that it is properly housed and not used by the custodian in any way. The normal means of caring for this equipment, however, is to obtain by gift or lease, centrally located warehouse space or other suitable storage where it may be securely protected and available for inspection by prospective purchasers. FSA instructions give you authority to negotiate such rentals in conjunction with the BM Division of the regional office.

It may be that the liquidation also will involve the Government's lien on growing crops. In such an instance the position of the landlord must be considered in the transaction. Unless otherwise specified, Form FSA-LE 211, "Agreement for Cultivation, Harvesting, and Marketing of Growing Crops", will be used as the contract between the landlord, caretaker, and the Government.

- C Disposition of Repossessed Property: The period of custody should be only for the minimum time necessary for you to arrange for the disposition of the property. The longer this security is kept the more chance for loss through fire, theft or depreciation in value. You should never, except in most unusual circumstances, hold property for appreciation in value. The fact that certain poor livestock would command a greater price when fat would not justify your incurring costs for feed and care to accomplish this. The same would be true in holding equipment for several months because at such time the demand for the particular type of machinery would be greater and consequently it might command a higher price. Generally

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the opposite is true and you will find that you have spent a lot of time and money to no avail. By all means try to clean up all repossessed property either at private or public sale as the circumstances necessitate, as soon after repossession as possible, which generally should not be more than thirty days from date of repossession. There will be exceptions where matters of priority of lien or other legal matters are involved which necessitate action or advice from the regional office. But in normal circumstances you can and should so limit the period of custody. In the matter of disposing of this property you should be careful that you have mastered in every detail the exact steps that must be followed in the disposition and that all of the various forms involved in these steps have been properly prepared and executed. It is through these forms that you account for your stewardship of the repossessed security and through their proper use you, as an individual, acquire complete protection against financial liability.

One of the most important acts in this type of voluntary liquidation is the determining of the priority of the Government's lien. In every case you must search county records to establish this fact. You can see the trouble involved if you sold property and remitted the proceeds for application to the account of the borrower only to find later that someone else had a prior lien. Consequently, you should never dispose of any property until the Government's lien priority is ascertained. Refer all cases to the regional office where conflicting claims appear and await further instructions as to handling.

All public sales of chattel security should be publicized as widely as possible under the circumstances of the particular case and type of action. Active and spirited bidding should be encouraged by the field officials. It will be necessary, however, in some instances for collecting officials to purchase for the Government chattels being sold, for the reason that no bid is received from outside bidders equal to the fair market value of the property being offered or the amount of the Government's debt. If property is acquired by you for the Government, you should not allow it to remain in your inventory but should aggressively

negotiate for its sale for cash or on credit in accordance with authority given you under FSA instructions.

- D Private Sale by Borrower: Another type of voluntary liquidation is through the use of Form FSA-LE 286, "Offer to Release Lien". When you use this method, proper authority for the liquidation and an executed offer to release lien should be obtained from your district supervisor. The borrower himself will dispose of the property and remit the proceeds for credit on his account. This method, however, involves certain dangers and thus should be used only under limited circumstances. It wouldn't be at all logical to allow a borrower to liquidate by the release method when the approval of liquidation was predicated upon his spirit of uncooperativeness and the commission of alleged illegal acts. Neither would you use this method unless you were positive in your own mind that the borrower could find private purchasers willing to pay the prices asked and that he would make a sincere effort to dispose of the security within a reasonable length of time. If you have any reservations whatsoever regarding the ability and intent of the borrower, repossess instead of using this method.
- E Public Sale by Borrower: In some states a debtor may liquidate mortgaged chattels through the holding of a public sale. In such states the approval of the contemplated action will be evidenced by the signatures of a representative of the Farm Security Administration, the borrower, a trustee, and other lien holders on Form FSA-LE 217, "Agreement for Public Sale". It is suggested that this method should only be used if this type of liquidation sale is the general rule and not the exception in your community.

II Involuntary Liquidations by Court Action and Repossession Without Written Concurrence of Borrower: There will be cases where you are unable to obtain peaceful possession of the security or where legal complications necessitate court action. Generally you will have little to do with the initial handling of such cases other than reporting the facts in full to the regional office. They, in turn, will refer the action to the regional attorney for

further reference to the United States Attorney. After the case is in the hands of the United States Attorney, you will not actively service the case except under his direction.

Also there will be instances where security property will be repossessed upon proper approval but without written concurrence of the borrower. These instances may arise due to the borrower's unwillingness to concur in such action in writing or in some states it is the customary practice to repossess without the written concurrence of the borrower. Where this latter situation exists, appropriate instructions will be received by you from the regional office. The advertising requirements with respect to such sale will be contained in regional instructions on this subject. The same information outlined above with respect to the custody and handling of repossessed property and to the conducting of public foreclosure sales are applicable to property repossessed without the written concurrence of the borrower.

III Real Estate Foreclosures: These types of foreclosures require National Office approval and have certain legal aspects which have to be approved by the regional attorney. In recommending such foreclosures you will report all of the facts of the case to the regional office and await further instructions.

